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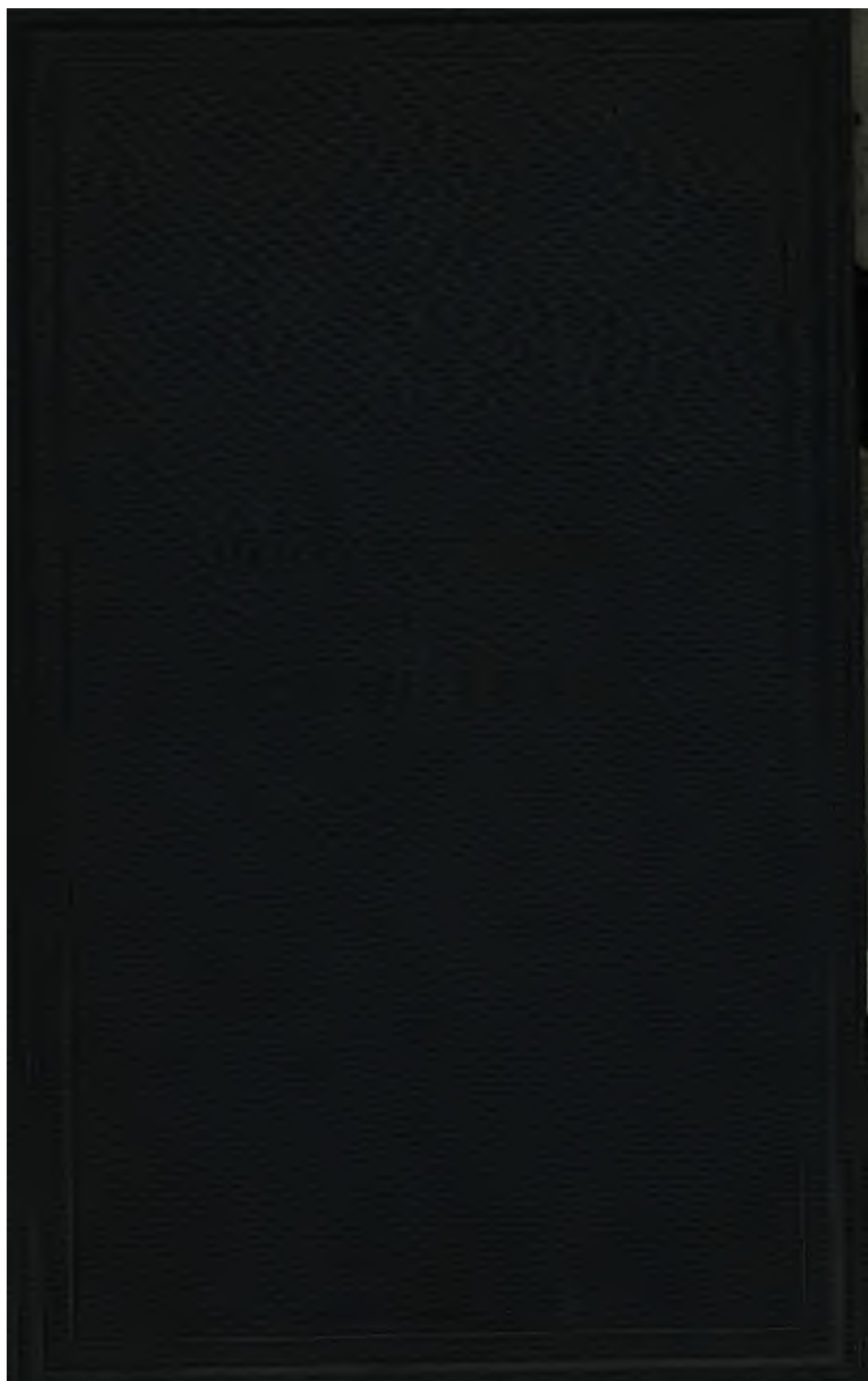
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THE
PRINCIPLES OF BOOK-KEEPING

BY
DOUBLE ENTRY,

IN A SERIES OF EASY AND PROGRESSIVE EXERCISES,
FOR THE USE OF SCHOOLS.

TO WHICH IS APPENDED
A LIST OF COMMERCIAL TERMS.

BY
HENRY MANLY,
FOR MORE THAN THIRTY-THREE YEARS PRINCIPAL WRITING-MASTER AND TEACHER OF BOOK-KEEPING
IN THE CITY OF LONDON SCHOOL.

FOURTH EDITION.



REVISED AND ENLARGED BY
HENRY WILLIAM MANLY,
ASSISTANT ACTUARY TO THE MUTUAL LIFE ASSURANCE SOCIETY, AND
FELLOW OF THE INSTITUTE OF ACTUARIES.

LONDON:
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PREFACE TO THE FIRST EDITION.

THE Author of this elementary work makes no pretention to the invention of a *novel system* of Book-keeping. His object is—first, to place before the pupil the simplest operations in Accounts, and then to prepare him gradually for the more difficult and complex part of the art.

The book contains elementary practice in the five principal Accounts; materials for making out Bills of Parcels and Invoices; carefully constructed Exercises on the Waste-Book, Journal, and Ledger; the Civil Service Examination Papers on Book-keeping; a set of general questions; and a short explanation of commercial terms.

This Manual does not profess to impart instruction without the aid of a master, nor is it intended to supersede the use of more elaborate works, but rather to prepare the way for them. The Author believes that anyone who thoroughly masters the Exercises here given will have passed through such a training as will enable him to attain to the art of recording the most difficult transactions.

PREFACE TO THE FOURTH EDITION.

IN revising this Manual for the present edition I have kept steadily in view the original object of the work, namely, in simple language and by progressive exercises, to make instruction in the art of Book-keeping by Double Entry easy to the young beginner.

In consequence of the changes that are continually taking place in the law and custom of commercial trading it has been found necessary to re-write some of the articles, particularly those on Inland Bills, Invoices, Subsidiary Books, and Accounts Current.

Additions have also been made of short articles on Foreign Bills, Cheques, and observations on Book-keeping by Single and Double Entry, as well as of short Exercises and Questions on Bills of Exchange and Invoices. Numerous additions have also been made to the list of commercial terms.

In order to afford fuller information on the subject of some of the articles, three Appendices have been added, which it is hoped will prove instructive and useful.

As this work has hitherto proved most successful—much beyond the Author's most sanguine expectations—I trust that the additions and alterations that are now made may be considered improvements, and that they will tend to increase its usefulness and popularity.

H. W. MANLY.

August, 1875.

A FEW HINTS ON THE METHOD OF TEACHING BY THIS BOOK.

IN commencing to learn the art of Book-keeping, it is difficult, as in most studies, for the young student to clearly comprehend at once its object, and the first processes necessary for attaining a thorough knowledge of the subject. Thus, before proceeding to the arrangement and classification of Accounts, it is necessary to know what an account is, and the nature of the transactions which are to be the subject of treatment. This may, and often does, appear somewhat unsatisfactory to the pupil; but since the best way of attaining such knowledge with the least difficulty is to write out carefully the required information, it was the Author's intention, in arranging the present work, so to combine the art of writing with the principles of Book-keeping, that by the practice of the first the student should at the same time attain a primary knowledge of the second without any great mental effort or difficulty. It was therefore intended in using this book that the student should be required to write out, in a clear, distinct hand, the contents of pages 7 to 16.

Having accomplished that task he will have attained a sufficient knowledge of accounts to enable him to work out the exercises immediately following, which may be either done as lessons in the class-room or set as exercises for work out of school. If these exercises are done out of school, the writing lessons might be continued, with the explanations of Invoices, Foreign Bills, &c., on pages 24 and 25, and 29 to 31. The exercises on pages 26 to 29 and 31 to 34 will then complete the first course.

The Questions for Examination ought properly to be given in the class-room, to be answered either on paper or *vivâ voce* :

but where this cannot be done, they might be given for exercise after school hours. The questions need not necessarily be given in rotation when they are to be answered in writing. For instance, to prevent copying, the 1st, 4th, 7th, &c., in the class should be given Questions 1, 4, 7, 10, &c., to answer; while the 2nd, 5th, 8th, &c., should have Questions 2, 5, 8, 11, to answer, and so on.

Part II. introduces the student to the Principles of Book-keeping by Double Entry. Here again, to impress the process more deeply on the mind, the explanations and examples on pages 40 to 54 should be neatly written out, and afterwards the exercises might be given for work after school hours; while the questions for examination would afford ample scope for instruction in the class-room.

Part III. contains an explanation of a few of the more complicated parts of Book-keeping, with Examples of Examination Papers set to Candidates for the Civil Service. The information contained in this Part may be advantageously treated in the same manner as the foregoing; while the questions in the Examination Papers might very well be set to the pupil immediately after he has finished the second Part.

These remarks are only thrown out as hints, and are not written with the object of laying down any rigid rule. They contain the plan which the Author found the best after many year's experience; but as all persons have not the same method of teaching, so every master will naturally exercise his own judgment as to the best mode of using this work.

BOOK-KEEPING.

PART I.

A MERCHANT'S Books should exhibit a true statement of his Commercial affairs: they should show the success of each particular transaction, as well as the general result of the whole, and should be so arranged as to afford correct and ready information upon every subject for which they may be consulted.

Book-keeping, therefore, consists in classifying and arranging facts under distinct heads or accounts in a book called the Ledger.

The Ledger is the chief book in the counting-house, and to which all the other books are subservient. It contains a condensed history of the Merchant's Commercial affairs or transactions, arranged in proper order, under the following five distinct heads or accounts, called real and personal, viz.:—

- | | | |
|-----------------------------|---|--------------------|
| 1. The Cash Account. | } | Real Accounts.* |
| 2. The Merchandise Account. | | |
| 3. Personal Accounts. | } | Personal Accounts. |
| 4. Bills Receivable. | | |
| 5. Bills Payable. | | |

There are other accounts called Nominal† Accounts, such as Stock‡ or Capital Account, Profit and Loss Account, and the Balance Sheet, which are only used on opening and closing the Ledger.

The Profit and Loss Account is a branch of the Stock Account. Commission, Charges, &c., are branches of the Profit and Loss Account.

The five Accounts above mentioned are arranged and worked in the following manner.

* Real Accounts are accounts of any kind of property, such as Cash, Goods, Ships, Houses, Lands, &c.

† They are also called Fictitious Accounts.

‡ Stock or Capital Account is the Merchant's own Account.

1. THE CASH ACCOUNT.*

The object of this Account is to show, after receiving and paying money, what cash you have left in hand.

In arranging this Account you should consider—

1st. What is entered on the *Dr.* side?

2nd. What on the *Cr.* side?

3rd. What will the difference between the *Dr.* and *Cr.* sides then show?

1. The cash you have in hand (when you first open the Account†) and all receipts of money are entered on the *Dr.* side.

2. All payments are entered on the *Cr.* side.

3. The difference between the *Dr.* and *Cr.* sides will show the Balance,‡ or Cash in hand.

EXAMPLE.

Jan. 1, 1868. Cash in hand at this date, brought from old Account, £30. 2. Received from James Wilson, £50. 3. Paid for goods, £30. 4. Received from J. Goude, for sales of Wine, £46. 5. Paid W. Harrison, on account, £5 7s. 6d. 7. Received from W. Jones, £7 4s. 6d. 10. Paid for 3 Pipes of Wine, £60.

Find the Balance in hand.

<i>Dr.</i>		CASH.			<i>Cr.</i>				
RECEIPTS.		£	s.	d.	PAYMENTS.		£	s.	d.
1868					1868				
Jan. 1	To Balance from old Account \$. . . }	30	0	0	Jan. 3	By Goods	30	0	0
" 2	To James Wilson . .	50	0	0	" 5	By W. Harrison, on Account . . . }	5	7	6
" 4	To Wine	46	0	0	" 10	By Wine	60	0	0
" 7	To W. Jones . . .	7	4	6		By Balance in hand	37	17	0
		£ 133	4	6			£ 133	4	6

This Account is now balanced or adjusted.

* An Account is a statement of facts relating to any person or thing.

† To open an Account, is to write its *Name* or *Title* for the first time in the *Ledger*. An Account is supposed to be opened directly you have any transactions to record in it.

‡ Balance, to make equal; that is, by placing the difference of the two sides of an Account on the less side, to make both sides equal.

§ If you are commencing business, and consequently have no old Account, the entry would be—To Cash in hand at this date.

2. MERCHANDISE ACCOUNT.*

The object of this Account is twofold: 1st, to show the quantity of Goods on hand; and 2ndly, to show what is gained or lost by the buying and selling of Goods.

In working and arranging this Account you should consider—

1st. What is entered on the *Dr.* side? 2nd. What on the *Cr.* side? 3rdly. What Goods remain unsold, or are “in Stock.” 4thly. What will the difference between the two sides then show?

1. The value of the Goods on hand, or “in Stock” when you open the Account, and the cost of all Goods bought, are entered on the *Dr.* side. 2. The sales or returns are entered on the *Cr.* side. 3. Ascertain the quantity of Goods on hand, or “in Stock.” This constitutes the Balance of the Goods, and their value is entered as the Balance on the *Cr.* side.† 4. The difference between the *Dr.* and *Cr.* sides will then show the gain or loss.

EXAMPLE.

Jan. 1, 1868. The stock of tea on hand from last year is 5 Chests, £56. 4. Sold Cummins & Co., 1 Chest, £12 7s. 4d. 8. Bought for Cash, 16 Chests, £187. 11. Sold for Cash, 5 Chests, £77 10s. 6d. 14. Sold Williams & Co., 6 Chests, £96. 19. Sold Cummins & Co., 7 Chests, £105. 24. Bought 15 Chests of Gillman & Co., £180. 21. Sold to Williams & Co., 12 Chests, £156.

Find—1st. The Balance of Goods on hand, and then estimate their value at the market price of £13 per chest.

2ndly. The gain or loss on the transactions.

<i>Dr.</i>					TEA.					<i>Cr.</i>				
1868	BOUGHT.	Quantity.	£	s.	d.	1868	SOLD.	Quantity.	£	s.	d.			
		chits.						chits.						
Jan. 1	To Stock on hand	5	56	0	0	Jan. 4	By Cummins & Co.	1	12	7	4			
„ 8	To Cash	16	187	0	0	„ 11	By Cash	5	77	10	6			
„ 24	To Gillman & Co.	15	180	0	0	„ 14	By Williams & Co.	6	96	0	0			
						„ 19	By Cummins & Co.	7	105	0	0			
						„ 28	By Williams & Co.	12	156	0	0			
	To Profit & Loss						By Balance, un-							
	—gained . . .	..	88	17	10		sold . . .	5	65	0	0			
		36	511	17	10			36	511	17	10			

NOTE.—The quantity bought was 36 chests; the quantity sold was 31 chests; therefore 5 chests remain unsold. These valued at the market price, £13 per chest, give £65 as the value of the Goods on hand.

* All Property Accounts, such as Adventures, Railway Shares, Shares in Public Companies, Funded Property, Ships, Houses, Lands, &c., &c., are similar in their nature to the Merchandise Account, and they are arranged and adjusted in the same manner.

† If the Goods are all sold, the returns are said to be complete. The Goods that remain unsold are generally valued at the market price, but sometimes at the cost price.

3. PERSONAL ACCOUNT.

The object of this Account is to show what the person owes you, or what you owe the person.

In working this Account you must consider—

1st. What is entered on the *Dr.* side?

2ndly. What on the *Cr.* side?

3rdly. What will the balance then show?

1. All sums for which the person is indebted to you, or which you pay the person, are entered on the *Dr.* side.

2. All sums that you owe the person, or which the person pays you, are entered on the *Cr.* side.

3. Then the difference between the *Dr.* and *Cr.* sides will show what the person owes you, or what you owe the person, as the case may be.

EXAMPLE.

Jan. 1, 1868. Balance due by Russell & Co., from last year's account, £135 16s. 6d. 4. Sold them cotton amounting to £85 16s. 4d. 5. Received of them on account £120 10s. 6d. 7. Bought of them 12 doz. Sherry @ 35/. $\frac{1}{2}$ doz., £21. 10. Sold them 12 pieces Calico, each 25 yds., @ 4d. $\frac{1}{2}$ yd., £5. 14. Sold them 40 pieces Muslin, each 25 yds., @ 1/2 $\frac{1}{2}$ yd., £58 6s. 8d. 15. Received of them, on account, £20. 18. Sold them 50 yds. of Broadcloth for £50. 24. Sold them 40 yds. Cotton Shirtings, @ 8d. $\frac{1}{2}$ yd., £1 6s. 8d. 28. Received of them, £140 18s. 4d.

Required the Balance.

<i>Dr.</i>				RUSSELL & CO.				<i>Cr.</i>			
1868.		£	s.	d.	1868.		£	s.	d.		
Jan. 1	To balance from last year's Account	135	16	6	Jan. 5	By Cash	120	10	6		
" 4	To Cotton	85	16	4	" 7	By Sherry	21	0	0		
" 10	To Calico	5	0	0	" 15	By Cash	20	0	0		
" 14	To Muslin	58	6	8	" 28	By ditto	140	18	4		
" 18	To Broadcloth	50	0	0							
" 24	To Cotton Shirtings	1	6	8		By Balance due to me	33	17	4		
		£ 336	6	2			£ 336	6	2		

BILLS OF EXCHANGE AND PROMISSORY NOTES.

Bills of Exchange are of two kinds, Inland and Foreign.

INLAND BILLS OR DRAFTS.

A Bill or Draft is a written order (on stamped paper) from one person to another to pay to the Drawer (or to a third person), or to his Order, or to the Bearer, a certain sum of money at a specified time.

Form of a Bill.

£250	London, Jan. 1, 1868.
Two months after date	Pay to me, or my order, the sum
of Two hundred and fifty pounds,	also received.
To Mr. William Coombes,	THOMAS JONES.
25, Cheapside.	

Acceptable
 Payable at Bank.
 Westminster Bank.
 William Coombes

Another Form.

£468 5s. 2d.	London, Jan. 1, 1868.
Thirty days after sight	Pay to John Crossman, or his
order, the sum of Four hundred and sixty-eight pounds 5/2,	value received.
To Mr. William Coombes,	THOMAS JONES.
25, Cheapside.	

Accepted
 Payable at Bank.
 4th January
 Westminster Bank.
 William Coombes

In every Bill there are at least two persons concerned : the Drawer, and Drawee or Acceptor. The person who draws the Bill is called the Drawer ; the person upon whom the Bill is drawn, and who has to pay the amount when it becomes due, is called the Drawee. When the Bill is made payable to another person, that person is called the Payee.

In the above forms, Thomas Jones is the Drawer, and William Coombes the Drawee. Thomas Jones is also the Payee in the first form. In the second form John Crossman is the Payee.

Accepting a Bill is the act of the Drawee writing his name across the face of the Bill, by which he binds himself to pay it when due.

When the Bill is accepted the Drawee is termed the Acceptor, and

the Bill is then called his *Acceptance*. Thus, in the above forms, William Coombes, after writing his name across the Bills, is called the Acceptor and the Bills his Acceptances.

When the Payee or Holder of a Bill disposes of it (that is, pays it away), he has to endorse it, and by that means transfers his right to receive the money when due to another person.

Every endorser becomes security for the due payment of the Bill.

Endorsing or Indorsing a Bill is the act of the Payee or the Holder of the Bill writing his name on the back of it, with or without the words, "Pay A—— B—— or his order."

Form of Endorsement.

Pay Seymour Smith, or his order.

JOHN CROSSMAN.

When the Payee (or first Holder) of the Bill endorses it he is called the first endorser. Thus, in the above form, which is supposed to be written on the back of the second form of Bill, John Crossman is called the first endorser. If Seymour Smith were to write a similar endorsement underneath it, he would be called the second endorser, and so on.

If the words "Pay A—— B—— or his order" are not used, the endorsement is said to be an endorsement in blank.

A Bill becomes due in England three days after the time specified in the Bill. The three additional days are called "Days of Grace." *

All Bills are made payable either at a certain time *after date*, or a certain time *after sight*. When payable *after date*, the due date, or date when the Bill becomes due (or is payable) is reckoned from the date of the Bill. Thus, in the first form of Bill given, the date is Jan. 1, 1868. Two months † after that would be March 1, 1868, to which adding the three days' grace, makes the due date March 4, 1868. When payable *after sight*, that is, after the Drawee has seen or (accepted) it, the time is calculated from the date of the acceptance. ‡ Thus, in the second form, the Bill was accepted on the 4th January, 1868. Thirty days from that date would be the 3rd February, 1868, so that the due date of that Bill, after allowing for the days of grace, would be the 6th February, 1868.

* If the last day of grace falls on a Sunday, the Bill is payable on the preceding Saturday.

† When the term of a Bill is expressed in months, calendar months are always understood.

‡ The Payee when he accepts a Bill payable "after sight" always adds the date of the acceptance.

A Bill is said to be *honoured* if it is paid when it becomes due. If a Bill is paid before it becomes due, it is said to be *taken up* or *retired*.

PROMISSORY NOTES.

A Promissory Note, or Note of Hand, is a written promise (on stamped paper) from one person to pay to another, or to his order, or to bearer, a certain sum of money at a specified time.

*Form of a Promissory Note.**

£150	London, Jan. 1, 1868. Two months after date I promise to pay to Mr. George Hamilton, or his order, One hundred and fifty pounds, value received. Payable when due at _____
	THOMAS JONES.

The person making the promise is called the Maker of the Note ; and the person to whom he promises to pay the money is called the Payee. Thus, Thomas Jones is the Maker of the above Note, and George Hamilton the Payee.

A Promissory Note can be endorsed and dealt with in every respect like a Bill or Draft.

NOTE.—Bills and Promissory Notes, drawn in the United Kingdom, to make them legal, require to be written on paper with the Government stamp on it, of a certain price, according to the sum drawn for, viz. :—

BILLS AND PROMISSORY NOTES.

Payable in any other way than on demand.

	£	s.	d.
Where the amount or value of the money for which the Bill or Note is drawn or made does not exceed £5 ..	0	0	1
Exceeds £5 and does not exceed £10	0	0	2
" 10 " 25	0	0	3
" 25 " 50	0	0	6
" 50 " 75	0	0	9
" 75 " 100	0	1	0
" 100, for every £100, and also for any fractional part of £100, of such amount or value	0	1	0

Bills of Exchange and Promissory Notes drawn out of the United Kingdom, but payable or negotiated within it, bear the same duty as Inland Bills; denoted by adhesive stamps.

* A Bank of England Note is a Promissory Note payable to Bearer on demand. Promissory Notes to bearer on demand can only be issued by certain Bankers.

4. BILLS RECEIVABLE ACCOUNT.*

The object of this Account is to show the amount of Bills in hand.

In working and arranging this Account you have to consider—

1st. What is entered on the *Dr.* side?

2ndly. What on the *Cr.* side?

3rdly. What will the difference between the two sides show?

1. The Bills in hand (when you first open the Account), and all Bills you afterwards receive, or draw, are entered on the *Dr.* side.

2. Any of such Bills that are due and paid, or otherwise disposed of, are entered on the *Cr.* side.

3. The Balance, or difference between the two sides, will show the amount of Bills in hand.

EXAMPLE.

Jan. 1, 1868. I have Bills in hand at this date to the amount of £350. 9. Received from J. Jennings his Acceptance at two months, £50. 11. I have drawn a Bill on George Ramsay for the Balance of his Account, £90. 15. Bill No. 2 is due this day and paid, £70. 17. Thomas Truby has duly honoured his Bill, due this day, No. 4, £95 17s. 4d. 20. Received from Raymond & Co., for the Account of Thomas Martin, a Bill due March 4, £257 18s. 8d.† 24. Drawn on Charles Chambers, at one month, for the Balance of his Account, £32 10s.

What is the Balance or amount of Bills in hand?

<i>Dr.</i>		BILLS RECEIVABLE.				<i>Cr.</i>			
RECEIVED.		£	s.	d.	DISPOSED OF.		£	s.	d.
1868					1868				
Jan. 1	To Amount in hand	350	0	0	Jan. 15	By Cash for Bill No. 2	70	0	0
" 9	To J. Jennings . .	50	0	0	" 17	By do. do. No. 4	95	17	4
" 11	To George Ramsay .	90	0	0					
" 20	To Thomas Martin.	257	18	8		By Balance in hand.	614	11	4
" 24	To Chas. Chambers.	32	10	0					
		£780	8	8			£780	8	8

* Bills Receivable are those that a merchant himself draws or receives in payment of some debt or contract.

† This is entered to *Thomas Martin*, because it is on his account that you have received the Bill.

5. BILLS PAYABLE ACCOUNT.*

The object of this Account is to show the amount of your liabilities in the shape of Bills.

In arranging and working this Account you must consider—

1st. What Bills you have accepted, and for the payment of which you have made yourself answerable?

2ndly. What amount of these Bills you have paid or redeemed?

3rdly. What will the Balance show?

1. All Bills accepted, or Promissory Notes issued, by you are entered on the *Cr.* side?

2. Any of such Bills or Notes when paid or redeemed are entered on the *Dr.* side.

3. The Balance or difference will then show what you owe in the shape of Bills or Acceptances.

EXAMPLE.

Jan. 1, 1868. I owe in Bills at this date £900. 3. Bought Goods of Thomas Sims for £75, for which he has drawn upon me at two months. 5. Bill No. 7, due this day, was presented and duly honoured, £235 18s. 6d. 10. Sold Goods to Hammond & Co. for £130, for which I have received my own Acceptance, No. 8. 15. Bill No. 9, drawn by E. Mills, is due this day and paid, £75. 20. I have given Thomas & Co. a Promissory Note, at six weeks, for the Balance of their Account, £175 15s. 6d.

How much do I owe in the shape of Bills?

<i>Dr.</i>		BILLS PAYABLE.				<i>Cr.</i>			
REDEEMED.		£	s.	d.	ACCEPTED.		£	s.	d.
1868					1868				
Jan. 5	To Cash for No. 7 .	235	18	6	Jan. 1	By Amount out- standing }	900	0	0
" 10	To Goods for No. 8 .	130	0	0	" 3				
" 15	To Cash for No. 9 .	75	0	0	" 20	By Merchandise .	75	0	0
	To Balance unpaid, unredeemed, or outstanding . . }	709	17	0		By Thomas & Co. .	175	15	6
		£1150	15	6			£1150	15	6

* Bills Payable are those that are drawn upon the merchant for some debt or contract, and which he must pay when due.

EXERCISES ON THE REAL AND PERSONAL ACCOUNTS.

The object of the following Exercises is to initiate the Pupil in some of the technical terms used in business, and to familiarize him with the form and nature of the Accounts, before proceeding to instruct him in the working of the Journal and Ledger by the system of Double Entry.

A few of the Abbreviations used in the Counting-house.

Dr.	stands for	Debtor, a person who owes money to another—the left-hand side of an Account.
Cr.	„	Creditor, a person to whom money is due—the right-hand side of an Account.
C.B.	„	Cash Book.
P.C.B.	„	Petty Cash Book.
B.B.	„	Bill Book.
B.P.	„	Bills Payable.
B.R.	„	Bills Receivable.
D.B.	„	Day Book.
I.B.	„	Invoice Book.
I.B.I.	„	Invoice Book Inwards.
I.B.O.	„	Invoice Book Outwards.
A/S	„	Account Sales.
A/Curr.	„	Account Current.
a/c	„	Account.
d/d	„	Days after date.
d/s	„	Days after sight.
m/d	„	Months after date.
m/s	„	Months after sight.
at or per	„	At, to, for, or by.
%	„	Per cent.
ea	„	Each.
@	„	At.
E.E. or	}	Errors Excepted, or
E. & O.E.		
	„	Errors and Omissions Excepted.

EXERCISES.

Make a Cash Account, or Cash Book, from the following transactions :—

	1.	£	s.	d.	72
Jan. 1, 1868. Balance in hand at this date	37	17	0	
13. Paid J. Cummings, for Books for Office	5	10	0	

EXERCISES.

17

	£	s.	d.
Jan. 14. Received for Sales this day	17	5	3
15. Paid House expenses for last week	2	14	6
16. Paid House Rent, 1 quarter, due Dec. 25/67 ..	12	10	0
17. Received for Sales this day	14	17	6
18. Paid Thomas Manning, for Painting	6	3	6
„ Paid Trade Expenses	1	5	0
Find the Cash in hand.			

2.

Feb. 1, 1868. Cash in hand	50	0	0
4. Paid for Furniture	21	15	0
6. Paid for Fire-irons	1	10	0
7. Paid for Postage Stamps	0	9	6
12. Paid for 1 Ton of Coals for Office	1	1	6
20. Received of Mr. Daly, for 1 quarter's Rent ..	8	8	0
26. Paid for Sweeping Chimneys	0	5	6
27. Received from H. Lawson, in part payment of half-year's Rent, due Dec. 25/67	5	5	0
„ Paid Taxes	2	6	8
„ Paid House Expenses this month	10	14	6
„ Paid Servant's Wages	2	10	6
Find the Balance.			

3.

Mar. 1, 1868. Received from Cashier for P.C.B. ..	10	10	6
2. Paid for Cartage	0	18	6
3. Paid for Postage of Small Parcels	0	3	6
5. Paid for Broom for Housekeeper	0	2	6
6. Paid for repairing Clock	0	10	6
„ Paid Porter's Wages	1	5	0
„ Paid Cab-hire for Mr. H.	0	3	6
Find the Balance and carry it to next week's Account.			

4.

Mar. 8, 1868. Balance* in hand from last week			
„ Received for the Sale of Waste Paper	0	15	0
„ Paid Carpenter for Packing-cases	2	10	6
9. Paid for Bill Stamps	2	0	0
10. Paid Mr. G—— for Painting outside of House	6	10	9
11. Received from Cashier for P.C.B.	10	0	0

* The Balance of the former week's Account must be entered to the Debit of the following week, thus: To Balance from last week's Account, £—

	£	s.	d.
Mar. 12. Paid for Mending Windows	0	7	6
13. Paid Commissionaire for taking Small Parcels	0	3	6
„ Paid Johnson for Cartage	1	5	6
„ Paid for Cord, Twine, and Packing-needles ..	0	3	6
„ Paid Porter's Wages and 5/. for Overtime ..	1	10	0
Find the Balance.			

5.

Make a Bills Receivable Account from the following transactions :

Apr. 1, 1868. I have Bills in hand at this date to the amount of	1560	0	0
4. I have sold Goods to Jones & Co. to the amount of £75, for which I have drawn a Bill on them at 6 weeks' date	75	0	0
5. Bill No 3 is due and paid this day	150	0	0
6. Do. No. 4 is due this day and duly honoured ..	95	0	0
10. Bought Goods of Samuel Roberts and paid for them by giving him his own Acceptance (No. 7), due on the 18th, for the amount	175	0	0
15. Sold goods to G. Sims, amounting to £75, for which he has given me his Note at 2 months	75	0	0
16. Received for Bill No. 5, due this day	187	14	6
17. Ditto ditto 6 ditto	147	18	4
Required the Balance.			

6.

Apr. 1, 1868. Liabilities in the shape of Bills Payable outstanding at this date	1560	0	0
5. Mr. G—— presented his Bill for payment, due this day, which I have duly honoured ..	235	0	0
10. Paid my acceptance in favour of Milton & Co., due this day	176	0	0
12. Bought Goods of Hamilton & Co. for £174 18s. 6d., for which I have given them my Promissory Note at 6 weeks	174	18	6
13. Sold goods to W. Smith for £200, and received in payment my own Acceptance due on the 22nd May	200	0	0
17. Bought of W. Smith, Sugar to the amount of £256 18s. 6d., and have accepted his Draft on me for the same at 2 months	256	18	6
24. Paid my Acceptance, No. 10, due this day ..	195	4	7
Required the Balance.			

7.

£ s. d.

Find the Balance of the following personal Account :
 May 1, 1866. John Jennings has opened an Account
 with me, and purchased 2 Pipes of Port Wine
 @ £85 p Pipe
 4. Sold him 14 doz. Champagne @ 40/. p doz.
 10. Received from him on Account 50 0 0
 „ Sold him 4 Hhds. Rum for 200 0 0
 18. I have drawn a Bill on him at 2 months, for
 £60, which he has accepted 60 0 0
 24. I have bought of him 1 Hhd. of Sugar for .. 20 0 0
 27. Sold him a Pipe of Sherry for 48 0 0
 28. Sold him 13 doz of Old Port @ 48/6 p doz.
 29. He has given me a Bill on Wilson & Co. at
 2 months 59 6 8

8.

Make out Merchandise Accounts from the following transactions :
 June 1, 1868. The Stock of Cotton on hand from last
 month is 10 Bales, wt. net 29 cwt. 2 qrs., @
 7½d. p lb.
 4. Sold for Cash 6 Bales, wt. net 18 cwt. 1 qr. @
 8d. p lb.
 10. Bought of Simpson & Co. 23 Bales, wt. net
 64 cwt. 2 qrs. 16 lb., @ 7d. p lb.
 15. Sold Williams and Jones 16 Bales, wt. net
 48 cwt. 2 qrs. 5 lb., @ 7½d. p lb.
 18. Sold for Cash 4 Bales, wt. net 11 cwt. 2 qrs., @
 8d. p lb.
 27. Sold Williams & Jones 4 Bales, wt. net 12 cwt.
 2 qrs. 18 lb., @ 8½d. p lb.
 Find the quantity of Cotton unsold and the gain or loss.

9.

June 4, 1868. The Stock of Port Wine on hand at
 this date is 3 Pipes (Brand o. v.), valued at .. 215 10 0
 5. Bought of Wilson & Co. 60 doz. (Vintage '34)
 @ 36/. p doz.
 7. Bought for Cash 4 Pipes (Brand o. v.) @ £65 p
 Pipe
 10. Sold Henry Williams 1 Pipe (Brand o. v.) for .. 85 0 0
 c 2

	£	s.	d.
June 1. Sold George Symes 3 doz. (Vintage '34) @ 45/ \pounds doz.			
15. Sold for Cash 1 Pipe (Brand o. v.) for	72	0	0
16. Sold Williams & Co 1 Pipe (Brand o. v.) for ..	86	0	0
18. Wilson & Co. have purchased 1 Pipe (Brand o. v.) for	70	0	0
20. George Symes has bought 8 doz. (Vintage '34) @ 45/ \pounds doz.			
25. Bought of Warre & Co. 70 doz. (Vintage '36) @ 40/ \pounds doz.			
26. Sold Wilson & Co. 6 doz. (Vintage '34) @ 45 \pounds doz.			
27. Bought 4 Pipes (Brand C) @ £70 \pounds Pipe ..			
28. Sold for Ready Money 14 doz. (Vintage '36) @ 45/ \pounds doz.			
29. Sold Wilson & Co. 2 Pipes (Brand o. v.) @ £72 \pounds Pipe			
30. Sold for Cash 25 doz. (Vintage '36) @ 50/ \pounds doz.			

Find how many pipes and how many Dozen of Port Wine I have,
and find what I have gained or lost.

10.

June 1, 1868. I have in Ready Money	319	18	4
3. Paid Henry Williams for Merchandise	107	19	3
4. Paid James White for Printing	10	10	0
5. Paid George Hanson for Ledger and other Books	7	10	8
6. Received for Sales this day	20	14	6
8. Paid George Hanson for Printing Paper, \pounds Invoice	37	10	0
„ Received for Sales this day	10	7	6
10. Received a Remittance from Thomas Kelly, of Glasgow, for Goods sent him	184	18	6
11. Received for Bill No 2, due this day	75	10	0
18. Paid my Acceptance, No 4, due this day ..	176	19	0
19. Remitted Hamilton and Co., of Plymouth, for Goods bought of them	45	18	2
„ Received for Sales this day	94	15	6
20. Sold for Cash, Goods amounting to	14	8	6
22. Paid for Cartage	1	18	6

	£	s.	d.
June 25. Paid Porter 1 week's Wages	1	5	0
28. Paid my Promissory Note, No. 5, due this day	27	18	4
30. Paid sundry expenses this month @ P.C.B. ..	13	13	6
Make a Cash Account of the above items and find the Balance.			

11.

June 1, 1868. I have in hand the following Bills:

James Cumming's Acceptance, due 23rd ..	35	10	6
Hammond & Co.'s " " 15th ..	77	18	6
Wilson & Co.'s " " 24th ..	47	17	4
Simpson & Co.'s " " 27th ..	89	19	6
5. Sold Wilson & Co. 2 Pipes of Port Wine, for which they have given me a Bill on Thos. Martin, at 2 months from this date, for the amount	140	0	0
7. Sold Hammond & Co. 12 doz. Sherry, @ 42/. @ doz., for which I have received their Promissory Note at 21 days for the amount ..			
8. Simpson & Co. have bought 2 Casks Brandy, each 15 galls., @ 21/. @ gall., and 1 Puncheon of Rum, 84 galls., @ 15/6 @ gall., for which I have drawn a bill upon them at two months, which they have accepted			
12. I have drawn a Bill on Robert Simmons, in favour of Thomas Jones, at 31 days' date, for	238	10	6
15. Hammond & Co. have paid me their Bill, due this day	77	18	6
20. Sold Thomas Jones 2 Pipes Port Wine, @ £84 @ Pipe, and 19 doz. Cape, @ 24/. @ doz., and have drawn on him for the same at 6 weeks			
23. James Cumming has taken up * his Bill, due this day	35	10	6
" Bought of Hammond & Co. Merchandise amounting to £25 4s., and given them their Promissory Note, due July 1st, for the same	25	4	0
24. Wilson & Co. have duly honoured their Bill, due this day	47	17	4
25. Sold James Cummings 2 Casks Brandy, each 15 galls., @ 21l. @ gall. for which he has given me a Bill on Hamilton & Co., due July 15th			

* That is, paid it (see page 13).

	£	s.	d.
June 27. Simpson & Co. have taken up their Bill, due this day	89	19	6
28. Sold Hammond & Co. 3 Pipes Port Wine, @ £45 10s. p Pipe, and received their Promissory Note at 11 days for the same ..			
29. Sold Thomas Jones 1 Cask Brandy, 15 galls., @ 20/., and 1 Puncheon Rum, 84 galls., @ 15/. p gall., and received his Draft at 3 months' date for the same			
Find the Balance.			

12.

July 1, 1868. The Balance due from me to Palmer, Lewis & Co. at this date is	572	18	6
2. Sold them 10 Casks Spanish Madder as p Invoice	359	10	4
4. Bought of them 14 Bales of Cotton as p Invoice	254	17	7
6. Given them a Bill on Hale & Co. for	250	10	6
10. Sold them 120 Bundles Water Twist as p Invoice	197	16	6
12. Sold them 4 Casks Dutch Madder as p Invoice	157	16	6
15. Bought of them 24 Bales Carolina Cotton as p Invoice	339	18	4
16. I have given them a Promissory Note at 3 months' date for	327	15	9
18. Sold them 50 ps. Muslins as p Invoice	70	0	0
20. Sold them 10 ps. Broadcloth as p Invoice	150	0	0
25. Sold them 25 Casks Pearl Ashes as p Invoice	120	0	0
Find the Balance, and draw a Bill at two months' sight for the same.			

13.

Aug. 1, 1868. The Balance due to me by Gladstone & Co. at this date is	1347	18	6
4. Bought of them 8 Bags Pepper as p Invoice ..	107	12	9
10. Bought of them 200 Pigs of Lead, wt. 224 cwt. 3 qrs., at £18 10s. p fother *			
12. I have received from them a draft at 2 months from this date for	430	0	0

* A Fother of Lead = 19½ cwt.

EXERCISES.

23

	£	s.	d.
Aug. 15. Sold them 4 Hhds. Sugar as \pounds Invoice ..	168	0	0
17. Bought of them 4 Cases of Ironmongery as \pounds Invoice	100	15	7
20. Sold to them 20 Boxes Mould Candles as \pounds Invoice	42	13	10
25. Bought of them 6 Cables and 26 Coils of Rope as \pounds I.B.I.	287	19	0
27. Sold them 6 Sheets of Lead as \pounds I.B.O. ..	78	19	8
30. Sold them 35 Quarters of Oats @ 29/. \pounds qr.			
Find the Balance, and draw a Promissory Note at 31 days' date for the same, and name the Stamp required.			

14.

Sept. 1, 1868. Hammond and Jennings have opened an Account with me this day, and purchased 2 ps. Blue Cloth, each 56 yds., @ 14/. \pounds yd.			
5. Sold them 4 ps. Cashmere, 80 yds., @ 7/6 \pounds yd.			
7. Received from them on Account	20	0	0
8. Sold them 4 ps. Black Cloth, 130 yds., @ 10/6 \pounds yd.			
„ Ditto 3 ps. Blue ditto, 75 yds., @ 7/6 \pounds yd.			
„ Ditto 4 ps. Cashmere ditto, 100 yds., @ 6/6 \pounds yd.			
12. Bought of them a quantity of Furniture for ..	35	0	0
15. Sold them 60 yds. Cotton Linings @ 3d. \pounds yd.			
18. Sold them 20 yds. Black Silk Velvet @ 15/. \pounds yd.			
20. Received from them on Account	50	0	0
25. Sold them 8 ps. Brown Cloth, 400 yds., @ 10/. \pounds yd.			
27. Received from them a Bill on Simpson & Co. at 6 weeks' date	164	10	6
Find the Balance.			

15.

Aug. 1, 1868. The Balance due to me by Palmerston & Co. at this date is			
5. Bought of them a quantity of Alum as \pounds Invoice	37	14	6

	£	s.	d.
Aug. 7. Received for them on Account	105	16	2
10. I have drawn a Bill on them at 2 months' sight, which they have accepted this day, for ..	100	0	0
15. Sold them 8 Tons Corkwood @ £26 $\frac{1}{2}$ Ton ..			
18. Bought of them 4 Pipes Port Wine @ £80 $\frac{1}{2}$ Pipe			
20. Sold them 12 cwt. 2 qrs. Clover Seeds @ 80/ $\frac{1}{2}$ cwt.			
24. Bought of them 109 doz. Cape Wine @ 21/ $\frac{1}{2}$ doz.			
28. Bought of them 3 Pipes Sherry @ £48 $\frac{1}{2}$ Pipe			
29. Sold them 37 Sacks of Flour @ 42/ $\frac{1}{2}$ Sack			
Find the Balance.			

INVOICES AND BILLS OF PARCELS.

An Invoice or a Bill of Parcels is a statement (delivered to the *buyer* by the *seller*) of the quantity and value of Goods sold.

The following is the form of an Invoice delivered with the Goods.

EXAMPLE I.

London, Jan. 7th, 1868.

Mr. James Thompson

Bought of A—— B——.*
(or *Dr.* to A—— B——,
or A—— B—— *Dr.*)

	£	s.	d.
14 yds. Broadcloth @ 14/6 $\frac{1}{2}$ yd.	10	3	0
20 „ Cotton Lining . . . @ $\frac{1}{6}$ „	0	10	0
18 „ Black Kerseymere .. @ 7/6 „	6	15	0
6 „ Black Silk Facings .. @ 3/6 „	1	1	0
	£18	9	0

If the Invoice contain the particulars of a number of sales at different times, it is usually called a *General Account*.

* The pupil's name should be substituted for A—— B——.

EXAMPLE II.

London, Feb. 28th, 1868.

Mr. John Hammond

Dr. to A—— B——.

		£	s.	d.	£	s.	d.
1868.							
Jan. 2	To 10 yds. Broadcloth .. @ 10/6 p yd.	..	..	..	5	5	0
" 14	To 5 " Kerseymeres .. @ 5/6 "	..	..	..	1	7	6
" 18	To 12 " Black Doeskin @ 6/6 "	..	..	..	3	18	0
	Cr.				10	10	6
Feb. 2	By Cash on account	5	0	0			
" 5	Ditto ditto	3	0	0	8	0	0
	E. & O. E.				£2	10	6

When the General Account is a summary of Invoices already delivered, it is called a *Statement*.*

If a part has been paid at any time on account, the amount is placed under the total value and subtracted: the difference will then show the Balance due. When several payments have been made, the particulars can be *indented* or *short extended*, that is placed in a previously annexed column, and their *total* subtracted, as above.

If the Account be settled by cash, a Receipt is given at the foot.

RECEIPTS.

A Receipt is a written acknowledgment of having received a sum of money.

If the sum received be £2 or upwards a penny receipt stamp is required to make it legal; and the receiver must write his signature or initials across it with the amount received and the date.

FORMS OF RECEIPTS.

Received 5th Jan., 1868, of Mr. Walter Williams the sum of Forty pounds ten shillings on account.

£40 10 0

HENRY MASTERS.

March 1st, 1868. Received of Mr. Walter Williams the sum of Thirty-seven pounds fifteen shillings, being the Balance of his Account.

£37 15 0

H. M.
1.3.68
£37 15/

HENRY MASTERS.

* See Appendix i. p. 110.

EXERCISES ON INVOICES AND BILLS OF PARCELS.

1. Jan. 1, 1868. Sold the following Goods for Cash to Mr. A——
B—— :

1 Cheshire Cheese, wt. 56 lbs., @ 9d. p lb. ; 3 York Hams, wt. 47½ lbs., @ 10d. p lb. ; 2 firkins of Butter, wt. 124 lbs., @ 8d. p lb. ; 2 Sides of Bacon, wt. 214½ lbs., @ 8½d. p lb. ; 4 cwt. Lard, @ 6½d. p lb. ; 1 Box of Eggs, containing 2,500 @ 2/6 p hundred.

Make an Invoice and give a Receipt for the same.

2. Jan. 2, 1868. The following Goods were sold to Mr. William Squires. Make an Invoice, and give him credit, with a proper receipt for the half.

14 lbs. Pekoe Tea, @ 4/6 p lb. ; 28 cwt. Patna Rice @ 18/6 p cwt. ; 58 Sugar Loaves, each 10½ lbs., @ 4½d. p lb. ; 9 cwt. Valencia Raisins, @ 35/6 p cwt. ; 144 lbs. Souchong Tea, @ 3/4 p lb. ; 84 Boxes of Grapes, @ 14/8 each.

3. Jan. 6, 1868. Mr. George Summers has bought the following, and has given his Promissory Note at 6 weeks for the same. Make out his Account.

18 Galls. Sherry, @ 18/6 p gall. ; 100 Bottles of French Brandy, @ 4/6 p bot. ; 4 Doz. Old Port Wine, @ 64/6 p doz. ; 34 Galls. Jamaica Rum, @ 18/6 p gall. ; 72 Doz. Marsala, @ 35/7 p doz. ; 2 Casks Lisbon Wine, 110 galls., @ 14/10 p gall.

4. Jan. 12, 1868. Sold Mr. Thomas Hammond the following, for which he has given me one-third in Cash, and has authorized me to draw a Draft on him at two months' date for the balance. Make out an Invoice, giving him credit for the Cash and Draft, and also draw the Draft for his acceptance.

12 Barrels Scotch Ale, @ 35/6 p bar. ; 50 Barrels Porter, @ 17/6 p bar. ; 65 Doz. Dublin Stout, @ 5/4 p doz. ; 5 Butts of Calvert's XK Ale, @ 65/. p butt. ; 15 Barrels Buxton's Porter, each 18 galls., @ 1/2 p gall.

5. Jan. 20, 1868. Bought of Williams & Child the following Goods :

50 Qrs. Oats, @ 25/6 p qr. ; 18 Loads of Clover, @ 2/11 p truss ; 22 Loads of Hay, @ 2/4 p truss ; 74 Qrs. Bran, @ 7½d. p bushel ; 84 Pecks Linseed, @ 2¾d. p qrt. ; 12 Sacks of Flour, @ 45/6 p sack.

For which I have paid one-half in Cash and give them my Promissory Note at 3 months for the balance. Make an Invoice of the

above items, such as the Seller ought to send you, draw a Promissory Note for the balance, and name what stamp is required.

6. Feb. 2, 1868. Mr. Bannister has bought at various times on Credit, and paid on account several sums, as follows:

Jan 1. 12 Doz. Brown Sherry, @ 42/6 \pounds doz.; 4. 6 Doz. Burgundy, @ 59/6 \pounds doz.; 10. 3 Qr. Casks Brandy, each 18 Galls., @ 18/9 \pounds gall.; 15. 12 Doz. Old Port, @ 65/6 \pounds doz.; 20. Received from him on account, £35; 24. 15 Doz. Champagne, @ 40/. \pounds doz.; 28. Received on account, £10 10s. 6d.

Make a General Account of the above items.

7. Mar. 1, 1868. Mr. Joseph Masterman has bought the following Goods:

18 Yds. Purple Velvet, @ 10/6 \pounds yd.; 15 Eng. Ells Black Velvet, @ 15/. \pounds yd.; 157 Yds. Yorkshire Cloth, @ 7/6 \pounds yd.; 75 Yds. Norwich Crape, @ 3/6 \pounds yd.; 5 Ps. Linen, each 30 yds., @ 1/2 \pounds yd.; 3 Ps. Calico, printed, each 36 yds., @ 7d. \pounds yd.; 4 Ps. Muslins, each 20 yds., @ 1/6½ \pounds yd.; 38 Yds. Black Silk, @ 4/6 \pounds yd.; 2 Ps. French Silk, Figured, each 28 yds., @ 5/4 \pounds yd.

Make a Bill of Parcels of the above, draw a Bill on Joseph Masterman, at 2 months' date, for the amount, and state what stamp will be required for the same.

EXAMPLE III.

Huddersfield, June 12th, 1868.

Mr. Samuel Galliot

Bought of Armitage Brothers,
Importers of Foreign Wool.

	Cwt.	qr.	lb.	3 Bags of Wool, viz.:	£	s.	d.
12	4	3	23				
14	0	3	3				
	5	2	26				
Tare	0	0	23				
Nett	5	2	3	or 619 lbs. Fleece @ 2/0½	£	63	3 9½
7625	3	2	19				
Tare	0	0	12				
Nett	3	2	7	or 399 lbs. ditto @ 2/1½		42	7 10½
				E. E.	£	105	11 8

8. June 14, 1868. Make Invoices of the following items similar to the above :

Buyer, Mr. A—— B—— ; Seller, Messrs. G. & Co., Leeds.

5 Bags Cape Wool, @ $1/1\frac{1}{2}$ p lb., viz. :

	Marks.	Cwt.	qrs.	lbs.	
No. 481		2	0	15	} Gross. Tare 1 qr. 14 lbs.
606		1	3	18	
415		1	2	14	
573		1	3	26	
260		2	3	18	

9. June 15, 1868. Buyer, Messrs. H. & Co.; Seller, W. Willan, London.

5 Bags Wool, @ $1/2$ p lb.

	Marks.	Cwt.	qrs.	lbs.	
No. 38		2	0	14	} Gross. Tare 1 qr. 14 lbs.
150		3	0	11	
235		2	2	19	
647		1	3	9	
636		1	2	16	




Draw a Bill at 3 months' date for the amount.

EXAMPLE IV.

London, June 14, 1868.

Mr. William Jones

Bought of Warren & Co.,
Wine Merchants, &c.

MARES.	Butts.	Hbds.	Qr.-cks.*	Ochs.		Prices.			
Brand J J YRIDETE						£	£	s.	d.
	2	6	8	0	No. 118 Pale Sherry, @ p butt	49	343	0	0
	0	2	0	0	„ 119 Brown do do.	49	49	0	0
	0	2	4	0	„ 120 Pale do. do.	60	120	0	0
	2	10	12	0	E. E.	£	512	0	0

* Qr.-Cask = $\frac{1}{2}$ Butt.

10. July 1, 1868. Make an invoice similar to the above from the following items:

Buyer, William Williams, of Cardiff; Seller, Thomas Thompson & Co., London.

$\triangle_{\text{B}}^{\text{O}}$ 2 Hhds and 2 Qr.-cks., No. 121, Gold-colour Sherry
@ £71 p butt.

$\triangle_{\text{P}}^{\text{O}}$ 1 Ditto and 2 ditto, No. 122, Brown Ditto, @ £71
 p butt.

$\triangle_{\text{O}}^{\text{O}}$ 2 Butts 6 Hhds. and 6 Qr.-cks, No. 123, very Pale
Sherry, @ £29 p butt.

$\triangle_{\text{B}}^{\text{P}}$ 10 Qr.-cks., No. 57, Port, @ £70 p butt.

Draw a Bill at 6 months on the Buyer for the same.

BILLS OF EXCHANGE. FOREIGN BILLS.

A Foreign Bill is one where the drawer or drawee, or both of them, are resident in a foreign country.* Thus a Bill drawn by A—— B—— in London on C—— D—— in Paris is a Foreign Bill; † as is also a Bill drawn by C—— D—— of Paris upon A—— B—— in London. A Bill drawn by C—— D—— of Paris upon E—— F—— of Amsterdam is likewise a Foreign Bill.

Foreign Bills are usually drawn in sets of two or three.

Form of Foreign Bill in sets of three.

£175 0 0	Paris, Jan. 1, 1868.
Three months after date, pay this my First of Exchange (Second and Third of the same tenor and date not paid) to Messrs. Williams & Co. of London One hundred and seventy-five pounds value received of the said and place the same to my account.	
To Mr. Richard Hambledon, Lombard Street, London.	F. COURTOIS.

The above Bill is called the *first* of exchange. The second of exchange is a copy of the first with this exception—instead of “pay this my *first* of exchange, *second* and *third* of the same tenor and date not paid,” the words, “pay this my *second* of exchange, *first* and *third*

* Foreign country here means any part of the world except the territory of the United Kingdom of Great Britain and Ireland, the islands of Man, Guernsey, Jersey, Alderney, and Sark, and the islands adjacent to them, being part of the dominions of Her Majesty.

† All bills drawn in London upon a person abroad must bear the same stamp as an Inland Bill.

of same tenor and date not paid," are substituted. Likewise the *third* of exchange is a copy of the *first*, with the alteration "pay this my *third* of exchange, *first* and *second* of same tenor and date not paid."

Form of a Foreign Bill in sets of two.

£50 0 0	Berlin, Feb. 3, 1868.
Thirty days after sight, pay this my First of Exchange (Second of same tenor and date not paid) to Francis Baker, Esq., or order, Fifty pounds value received.	
To Messrs. Williams & Son, Manchester.	M. MULLER.

The second of exchange is a copy of the first with the substitution of *second* for *first*, and *first* for *second*.

When only one Bill is drawn it is called a *Sola* Bill of Exchange, and the term used in the Bill is—pay this my *Sola* of Exchange to —

The principal object of drawing Foreign Bills in sets, is to provide against the loss of one of them in transmission from one country to another.

Only *one* of the set is accepted, the others are useless, except when they are attached to the accepted Bill and bear endorsements.

NOTE.—An adhesive stamp is required to be placed on *one* of the set of a Foreign Bill payable in the United Kingdom, of the same value as that required for Inland Bills (see page 13). When a foreign Bill is drawn in England, *one* of the set (the first) is required to be written on paper bearing the same Government stamp as if it were an Inland Bill.

Bills of Exchange (Foreign or Inland) payable "on demand" require only a penny stamp irrespective of the amount of the Bill.

CHEQUES.

A Check or Cheque is a written order on a Bank, drawn by a person who has money there, directing the Bank to pay a certain sum of money to another person, or to his order, or to the bearer.

It may also be described as a Draft drawn upon a Bank but made payable "on demand," that is, when it is presented for payment.

Forms of Cheques.

London, Jan. 1, 1868.	
To the Union Bank of London.	
Please pay the Bearer forty-five pounds ten shillings and sixpence.	
£45 10 6	JOHN DAVIS.

<p style="text-align: center;">To the London and Westminster Bank.</p> <p style="text-align: center;">Pay William Thompson, Esq., or Order two hundred and fifty pounds.</p> <p style="text-align: center;">£250 0 0</p>	<p>£</p> <p>&</p>	<p style="text-align: right;">London, Feb. 7, 1868.</p> <p style="text-align: right;">N. ABRAHAM.</p>
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When a cheque is made payable to a person or his *order*, he must write his name on the back of it, before the Bank will pay the sum.

When two lines are drawn across the face of a cheque and “& Co” written between them, it is called a *crossed cheque*. A crossed cheque *must* be paid into and presented for payment by a Bank; and when the name of a Bank is written between the lines, the Cheque must be paid into and presented by that particular Bank.

A Cheque being an order for the payment of money on demand, is treated in Book-keeping as Cash.

All cheques of whatever amount require a penny stamp.

EXERCISES ON INLAND AND FOREIGN BILLS OF EXCHANGE, AND PROMISSORY NOTES.

1. Feb. 7, 1868. I (the pupil) have sold goods to Philip Smithers of Birmingham for £340, at three months' credit. Draw a Bill on him at three months' date; and state when the Bill matures.*
2. Feb. 14, 1868. John Atkinson & Co. of Liverpool have drawn a Bill upon me for £45 16s. 8d. dated the 5th January, 1868, payable sixty days after date, which I have this day accepted.
Write out the Bill and accept it payable at the London and County Bank. When is the Bill due? †
3. Feb. 28, 1868. I have bought of Mark Fletcher of Manchester, goods to the value of £24 1s. 7d., for which I have to give him my Note of Hand at three months' date.
Write out the Note, stating that it will be payable at the Commercial Bank.
4. March 1, 1868. Anthony Robertson, of Belfast, has given me his Promissory Note at sixty days' date, for the balance of his account, £114 11s.
Write out the Promissory Note, and state when it becomes due, and what stamp is required.

* Matures,—this is, becomes payable.

† It must be remembered that in Leap year there are twenty-nine days in February.

Draw out Inland Bills from the following particulars, and state when they mature, and what stamps are required.

5. Date : March 3, 1868.* Amount £300.
 Drawer : Henry Irving, 28 Cheapside, London.
 Drawee : William Thomas, 19 Thames Street, London.
 When payable : six months after date.
6. Date : 29 January, 1868. Amount £56 4s. 2d.
 Drawer : A—— B—— (the pupil's name).
 Drawee : Basil Williams, of Liverpool.
 When payable : thirty days after date.
 Accepted, payable at Messrs. Coutts' Bank.
7. Date : 31 March, 1868. Amount £1403 10s.
 Drawer : Thomas Hankey, Isle of Man.
 Drawee : A—— B——.
 When Payable : two months after sight.
 Accepted : 7th April, 1868, payable at Bank of England.
8. Date : 7th June, 1868. Amount £27 15s. 9d.
 Drawers : John Williams & Son, Manchester.
 Drawee : Philip Jones, Charing Cross, London.
 Payees : Ball & Fletcher.
 When payable : four months after sight.
 Accepted : 18th July, 1868, payable at the Bank of England.

Draw out Foreign Bills in sets of three from the following particulars, and state when they mature and what stamps they require.

9. Date : 24 January, 1868. Amount 2500 francs.
 Drawer : A—— B——.
 Drawee : André Dumas, Paris.
 Payee : Philip Henderson, Paris.
 When payable : one month after date.†
10. Date : 5th April, 1868. Amount £540.
 Drawers : Coutois et Fils, Paris.
 Drawee : A—— B——.
 Payee : Thomas Smithson, Lombard Street.
 When payable : sixty days after sight.
 Accepted : 12th April, 1868.

* The examples might be varied by substituting the date when the Exercise is given.

† No days of grace are allowed in Paris.

11. Date: 1st May, 1868. Amount 427 francs.
 Drawer: Henry Armitage, Berlin.
 Drawee: N. Roque, Paris.
 Payee: A—— B——.
 When payable: thirty days' sight.
 Accepted: 25 May, 1868, payable at Bank of France.

12. I hold the following Bill.

£469 5 0	London, May 4, 1868.
Six months after date, pay to Francis Bacon, or order, the sum of Four hundred and sixty-nine pounds five shillings for value received.	
ALFRED ROBERTSON.	
To Messrs. Higginbottom & Co. 109 St. Paul's Churchyard	

and it has endorsed upon the back of it,

Pay Albert Jones or his order.	FRANCIS BACON.	Pay J. Philipson or his order.	ALBERT JONES.	Pay Henry Harding or his order.	J. PHILIPSON.	HENRY HARDING.
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Who is the Drawer of the Bill, and who the Acceptor?
 What is Francis Bacon called? and what Albert Jones, and J. Philipson? What is the last endorsement called? What am I called?

13. June 25, 1868. I have received the following Bill, in sets, from Messrs. Dumas et C^{ie}, of Paris, in payment of their account:

£263 19 0	Paris, June 21, 1868.
Thirty days after sight pay this my first of exchange (second and third of the same tenor and date not paid) to A—— B—— or order, Two hundred and sixty-three pounds nineteen shillings, value received, and place the same to my account.	
DUMAS et C ^{ie} .	
To Messrs. Hankey & Mason, 29 Fenchurch Street, London.	

and have this day presented it to Messrs. Hankey & Mason, whose Bankers are Messrs. Glyns & Co., for acceptance.

What should they write across it, and when will it become due?
If I wish to pay it away to Albert Bunker, what should I write on the back of it?

14. March 15, 1868. Messrs. Williamson & Co. have delivered this day the goods ordered, amounting in value to £57 0s. 10d., for which I have to send them my cheque.
Draw a Cheque upon the London and Westminster Bank for the amount, payable to their Order.
15. March 31, 1868. Robert Jenkins has sent me his cheque on the Bank of England, payable to Bearer, in settlement of his Account, £37 10s., and crossed it with the name of my Bankers, Messrs. Glyn, Mills, & Co.
Write out the cheque as I received it, and state what stamp it should bear.

DRAW OUT CHEQUES FROM THE FOLLOWING PARTICULARS.

16. Date: Feb. 4, 1868. Amount, £7 2s. 6d.
Bank: London and Southwark.
Drawer: Francis Johnson.
Payee: the Bearer.
17. Date: June 5, 1868. Amount, £25.
Bank: Union Bank of London.
Drawer: A—— B——
Payee: Henry Martin or Order.
18. Date: July 7, 1868. Amount, £29 14s. 7d.
Bank: Messrs. Robarts, Lubbock, & Co.
Drawer: Albert Jones.
Payee: A—— B—— or Bearer.
Crossed: London and Westminster Bank.
19. Date: August 16, 1868. Amount, £37 10s. 5d.
Bank: Bank of England.
Drawers: Jones & Williams.
Payee: Messrs. Robertson, Smith, & Co., or Order.
20. Date: Dec. 31, 1868. Amount, £126 10s.
Bank: Alliance Bank.
Drawer: Philip Richardson.
Payee: A—— B—— or Order.
Crossed: Union Bank of London.

QUESTIONS FOR EXAMINATION.

ON THE CASH ACCOUNT.

1. What is meant by Cash ?
2. What is an Account ?
3. What is the object of keeping a Cash Account ?
4. What is a Folio in mercantile language ?
5. What would you write on the top of the left-hand side of the Folio ?
6. What would you write on the top right-hand side of the Folio ?
7. When you receive a sum of money, on which side of the Account would you enter it ? and why ?
8. When you pay away money, on which side of the Account would you enter it ? and why ?
9. What will the difference between the *Dr.* and *Cr.* sides show ?
10. What is the meaning of the term Balance ?
11. Supposing you kept a shop, on which side of this Account would you enter the money you received for Goods sold during the day ?
12. When you pay wages, where do you enter the sum ?
13. If you pay taxes, where do you enter the sum ?
14. If you receive a sum of money as a legacy, on which side do you enter it ?
15. On which side of the Cash Account will the Balance (if any) always fall ?
16. If you pay house expenses, on which side do you enter the amount ?
17. When is a Balance entered *To*, and when *By* ?
18. Why, in the examples given, is the Balance added to the *Cr.* side ?
19. When the Cash received and paid is all entered, what has to be done ?
20. Explain what is meant by remitting money.
21. If you remit George Goude, of New York, a sum of money, on which side of the Cash Account would you enter it ?
22. Samuels & Co., of Plymouth, remit you money for Goods sent them ; how would you enter it ?

ON THE MERCHANDISE ACCOUNT.

1. What is the object of the Merchandise Account ?
2. Name as many Accounts as you can that are the same in their nature as this Account.
3. What is contained on the *Dr.* side ?

4. What is entered on the *Cr.* side?
5. How would you arrange and adjust this Account?
6. Supposing you bought 6 hhds. Sugar, how would you enter it?
7. When the returns are complete, what will the difference between the *Dr.* and *Cr.* sides show?
8. What constitutes the Balance of this Account?
9. If any of the Goods remain unsold, at what are they generally valued?
10. If you sell 4 hhds. of the Sugar mentioned above, where and how would you enter it? (Question 6.)
11. If you are required to adjust the Sugar Account, show how you would do it. (See Questions 6 and 10.)
12. If you make a gain on any kind of Goods, on which side of the Account would it appear?
13. If you sustain a loss on any kind of Goods, on which side would it appear?
14. When are the returns said to be complete?
15. Why is this Account called Real?
16. What are the objects effected by keeping Real Accounts?
17. Name the Real Accounts.
18. What is the meaning of the word Balance?
19. In arranging and working the Merchandise Account, how many things or steps are to be considered? and where are they entered?
20. If you bought 5 Pipes of Wine for £120, and sold them afterwards for £110, show the result, and how it would appear in the Wine Account.

ON BILLS RECEIVABLE AND BILLS PAYABLE.

1. What are Bills or Drafts?
2. Give the form of a Bill?
3. How many kinds of Bills are there?
4. How many persons are generally concerned in an Inland Bill or Draft? What are they called?
5. What is meant by accepting a Bill?
6. What is the object of the Bills Receivable Account?
7. What is entered on the *Dr.* side?
8. What on the *Cr.* side?
9. What will the Balance show?
10. When you draw a Bill on any person who owes you money, and he accepts it, how do you treat it in the Accounts?
11. What does the Acceptor call it in his Accounts?
12. If you accept a Bill, how do you treat it?
13. If you receive a Draft, what do you call it?

14. What is the object of the Bills Payable Account?
15. When you accept a Bill, in what Account and on which side do you enter it?
16. If your Acceptance is due, and paid, where do you enter it?
17. When you issue a Note, in what Account and on which side do you enter it?
18. Where do you enter all Bills that are redeemed?
19. What will the Balance of the Bills Payable Account show?
20. For what is the Acceptor of a Bill liable?
21. To whom is the amount of the Bill, when due, paid?
22. If a Bill is drawn for months, what months are meant?
23. How many days' grace are allowed in Great Britain?
24. What do you understand by giving an Acceptance?
25. Give the form of a Promissory Note.
26. Draw a Bill at 2 months on A. B. for £150.
27. Suppose you owe A. B. £120, and C. D. owes you £120, cancel your debt to A. B. by drawing a Bill on C. D. in favour of A. B.
28. What is meant by Indorsing a Bill?

ON PERSONAL ACCOUNTS AND RECEIPTS.

1. What is a Personal Account?
2. What is its object?
3. Give the Rule for keeping Personal Accounts.
4. If I sell Goods on credit to A. B., on which side of his Account will it appear?
5. If A. B. pay me a part of his debt, on which side should it be entered?
6. If the *Dr.* side of a Personal Account amounts to £50 and the *Cr.* side to £30, to whom would the difference be due?
7. What is entered on the *Dr.* side?
8. What on the *Cr.* side?
9. If the *Cr.* side should exceed the *Dr.*, what would the difference show?
10. What will the Balance of a Personal Account show?
11. What is a Receipt?
12. Give the form of a Receipt for part payment of a debt.
13. Give the form of a Receipt in full.
14. If you give a Promissory Note for £21 at 2 months, what stamp will it require?
15. When is a stamp required upon a Receipt?
16. How should the receipt stamp be cancelled?
17. What is a Cheque?
18. What is a Bank-note?

ON INVOICES.

1. What is an Invoice?
2. What is a General Account?
3. Give the form of an Invoice.
4. What initial letters are generally added to an Invoice?
5. If a sum of money has been paid on Account, how is it entered in the Invoice?
6. What is a Statement?
7. Give the form of a General Account.
8. Write out the form of receipt for the balance of an Account.
9. What does I.B.I. stand for?
10. Write down the abbreviation for "Account."
11. What is the abbreviation for "at"?
12. What does p stand for?
13. When several payments have been made on Account at different times, how are they stated in the Invoice?
14. What is the usual heading of an Invoice?
15. What is the difference between an Invoice and a General Account?
16. What is the difference between a General Account and a Statement?
17. What do the letters E. and O.E. stand for?
18. What is the abbreviation for Invoice Book Outwards?
19. What does A/curr. stand for?
20. What symbol is used to denote "per cent."?

ON BILLS OF EXCHANGE AND CHEQUES.

1. How many kinds of Bills of Exchange are there?
2. What is the person upon whom a Bill is drawn called?
3. What is meant by accepting a Bill?
4. Who is the Payee of a Bill?
5. Give the form of an Inland Bill, and state who is the Drawer, who is the Drawee, and who the Payee.
6. What is the effect of accepting a Bill?
7. When does a Drawee become the Acceptor?
8. What is meant by endorsing a Bill?
9. Give the form of an Endorsement.
10. What is the effect of endorsing a Bill?
11. What is an Endorsement in blank?
12. What is necessary to be added to the Acceptance of a Bill payable at a certain time *after sight*?

13. How many days of grace are allowed in England ?
14. A Bill at fifteen days' sight is accepted on January 20, 1868.
When is it due ?
15. Give the form of an acceptance of a Bill payable *after sight*.
16. When is a Bill said to be honoured ?
17. When is a Bill said to be taken up ?
18. What is a Promissory Note ?
19. What is the person who gives the Promissory Note called ?
20. Can a Promissory Note be endorsed ?
21. Give the form of a Promissory Note.
22. What stamp is required for a Bill for £450 ?
23. What is the difference between an Inland and a Foreign Bill ?
24. Give the form of a Foreign Bill in sets of two.
25. What is the object of drawing a Foreign Bill in sets ?
26. What stamp is required on a Foreign Bill payable "on demand" ?
27. Give the Form of a Foreign Bill in sets of three.
28. What is the difference between the first of exchange and second of exchange in a Foreign Bill drawn in sets of two ?
29. What stamp is required on a Foreign Bill for £45 ?
30. What is a cheque ?
31. Give the form of a cheque.
32. What stamp does a cheque require ?
33. How is a cheque treated in Book-keeping ?
34. What is a crossed cheque ?
35. When a cheque is made payable to a person, or his order, what must be done before the Bank will pay it ?

PART II.

ON THE PRINCIPLE OF DOUBLE ENTRY.

In Double Entry three Books at least are required, the Waste-Book, Journal, and Ledger.

THE WASTE BOOK.

The Waste-Book, or Memorandum-Book.—This Book contains a general Register of all transactions in the order of time in which they occur.

EXAMPLE.

Date.	January, 1868.	£	s.	d.
1	ASSETS.* My Capital in Business at this date is	500	0	0
1	LIABILITIES.† I owe to James Cooke	20	0	0
2	Bought of Thomas Jones, 40 pieces Irish Linen, each 30 yds. @ 1/2 p yd.	70	0	0
4	Sold James Cooke, 4 pieces Irish Linen, each 30 yds. @ 1/4 p yd.	8	0	0
5	Sold for Cash, 2 pieces Irish Linen, each 30 yds. @ 1/3 p yd.	3	15	0
6	Bought of James Cooke, 35 pieces of Calico, each 25 yds. @ 0/4 p yd.	14	11	8
7	James Cooke has drawn a Bill upon me @ 6 weeks for the Balance of his Account	26	11	8

* Assets, all your available property.

† Liabilities, all that you owe.

Date.	January, 1868.	£	s.	d.
15	Paid Thomas Jones on account	20	0	0
18	Sold James Cooke 10 pieces Irish Linen, each 30 yds. @ 1/4 ϖ yd.	10	8	4
18	Sold Thomas Jones 20 pieces Calico, each 25 yds. @ 0/5 ϖ yd.	20	0	0
"	I have drawn a Bill on James Cooke @ 6 weeks for the above, which he has accepted	20	0	0
25	Paid Sundry Expenses	1	6	0

THE JOURNAL.

The Journal records the same transactions as the Waste-Book, but differently expressed.

The object of the Journal is to facilitate the process of entering or posting the items into the Ledger.

The Merchant is affected by every transaction which occurs in his business either as a receiver or disposer; and in Book-keeping by Double Entry each transaction affects or involves at least two Accounts.

1. Whatever he *receives* is always *Dr.*
2. Whatever he *disposes of* or *parts with* is always *Cr.*

And conversely

3. Whenever he receives anything it must be either from some person who *disposes of* it, or on account of something which he *parts with*, and the Imparting Account is always *Cr.*

4. And whenever he disposes of or parts with anything, it must be either *received* by some person, or on account of something which is *redeemed* or *received* in exchange, and the Recipient Account is always *Dr.*

Hence the following

General Rule for Journalizing.

The Recipient or Receiving Account is always *Dr.* to the Imparting or Giving Account.

The Stock or Capital Account is the Merchant's own Account,* and his Assets or property with which he begins business must be Journalized thus—

Assets (whatever they may be), *Dr. To Stock*;

and his Liabilities, or Debts, thus—

Stock, Dr. To Liabilities (whatever they may be).

For fuller explanation see Appendix II., p. 110.

Now proceed with the transactions in the following manner:—

Take, for example, the first transaction.

Bought of Thomas Jones 40 pieces Irish Linen, each
30 yds., @ $1\frac{1}{2}$ p yd. £70

Consider what was received, and who parted with it.

Now it is evident that the thing received was *Irish Linen*, therefore the account *Irish Linen* will be *Dr.*, and *Thomas Jones* parted with it, that is sold it, so that the account *Thomas Jones* will be *Cr.*; consequently the Journal entry will stand thus:—

Ledger Folio.	Date.	January, 1868.	Drs.			Crs.		
		Irish Linen Dr.	£	s.	d.	£	s.	d.
			70	0	0			
2		To† Thomas Jones for 40 pieces				70	0	0

Again:—

Sold James Cook 4 pieces Irish Linen, each 30 yds., @
 $1\frac{1}{4}$ p yd. £8

In this transaction James Cooke was the receiver, and Irish Linen was imparted or sold to him; therefore the Journal entry will stand thus:—

Ledger Folio.	Date.	January, 1868.	Drs.			Crs.		
		James Cooke Dr.	£	s.	d.	£	s.	d.
			8	0	0			
4		To Irish Linen, 4 pieces				8	0	0

Proceed to reason out the other Accounts in the same way.

* This Account is very often called the merchant's Private Ledger.

† The word *To* placed before any item in the Journal signifies *Cr. by*.

JOURNAL.

Ledger Folio.	Date.	January, 1868.	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		ASSETS.						
2 1	1	CashDr.	500	0	0			
		To Stock				500	0	0
		LIABILITY.						
1 2	1	StockDr.	20	0	0			
		To James Cooke				20	0	0
1 2	2	Irish LinenDr.	70	0	0			
		To Thomas Jones, for 40 pieces				70	0	0
2 1	4	James CookeDr.	8	0	0			
		To Irish Linen, for 4 pieces				8	0	0
2 1	5	CashDr.	3	15	0			
		To Irish Linen, for 2 pieces				3	15	0
1 2	6	CalicoDr.	14	11	8			
		To James Cooke, for 35 pieces				14	11	8
2 2	7	James CookeDr.	26	11	8			
		To Bills Payable				26	11	8
2 2	15	Thomas JonesDr.	20	0	0			
		To Cash				20	0	0
2 1	18	James CookeDr.	20	0	0			
		To Irish Linen, for 10 pieces				20	0	0
2 1	18	Thomas JonesDr.	10	8	4			
		To Calico, for 20 pieces				10	8	4
2 2	18	Bills ReceivableDr.	20	0	0			
		To James Cooke				20	0	0
		Carried forward£	713	6	8	713	6	8

Ledger Folio.	Date.	January, 1868.	Drs.			Crs.			
			£	s.	d.	£	s.	d.	
		Brought forward	£	713	6	8	713	6	8
1	25	Profit and Loss	Dr.	1	6	0			
2		To Cash					1	6	0
		Amount of Month	£	714	12	8	714	12	8

By this arrangement the *Drs.* and *Crs.* check each other, and you will observe that the total amount of the *Drs.* will equal the total amount of the *Crs.*, and it is also a check upon the Trial Balance of the Ledger which will be explained in pages 51 and 52.

Another Form.

Drs.			Ledger Folio.	January 1, 1868.	Ledger Folio.	Crs.		
£	s.	d.				£	s.	d.
500	0	0	2	Cash Dr. to Stock For all my Assets.	1	500	0	0
				1. _____				
20	0	0	1	Stock Dr. to James Cooke For all that I owe.	2	20	0	0
				2. _____				
70	0	0	1	Irish Linen Dr. to Thomas Jones Bought of him 40 ps. each 30 yds. @ 1/2 Ψ yd.	2	70	0	0
				4. _____				
8	0	0	2	James Cooke Dr. to Irish Linen Sold him 4 ps. each 30 yds. @ 1/4 Ψ yd.	1	8	0	0
				5. _____				
3	15	0	2	Cash Dr. to Irish Linen For 2 ps. each 30 yds. @ 1/3 Ψ yd.	1	3	15	0
				6. _____				
14	11	8	1	Calico Dr. to James Cooke Bought of him 35 ps. each 25 yds. @ 0/4 Ψ yd.	2	14	11	8
				7. _____				
26	11	8	2	James Cooke Dr. to Bills Payable For a Bill drawn on me at 6 weeks.	2	26	11	8
642	18	4		Carried forward	£	642	18	4

<i>Drs.</i>			Ledger Folio,	<i>January, 1868.</i>		Ledger Folio,	<i>Crs.</i>		
£	s.	d.					£	s.	d.
642	18	4		Brought forward	£		642	18	4
				—15.					
20	0	0	2	Thomas Jones Dr. to Cash		2	20	0	0
				Paid him on account.					
				—18.					
20	0	0	2	James Cooke Dr. to Irish Linen		1	20	0	0
				Sold him 10 ps. each 30 yds. @ 1/4 p yd.					
				—18.					
10	8	4	2	Thos. Jones Dr. to Calico		1	10	8	4
				Sold him 20 ps. each 25 yds. @ 0/5 p yd.					
				—18.					
20	0	0	2	Bills Receivable Dr. to James Cooke		2	20	0	0
				Received his Acceptance @ 6 weeks.					
				—25.					
1	6	0	1	Profit and Loss Dr. to Cash		2	1	6	0
				Paid Sundry Expenses this Month.					
714	12	8		Amount of Month	£		714	12	8

TO JOURNALIZE MONTHLY.

The following directions will enable the learner to arrange the entries in a more concise manner :—

To Journalize the Cash Account.

Cash Dr. to Sundries,
For all Receipts this Month ; and

Sundries Dr. to Cash,
For all Payments this Month.

To Journalize the Merchandise.

Merchandise Dr. to Sundries,
For all Purchases this Month ; and

Sundries Dr. to Merchandise,
For all Sales this Month.

To Journalize the Bill Book.

Bills Receivable Dr. to Sundries,

For the several Bills received this Month; and

Sundries Dr. to Bills Payable,

For all Bills issued or accepted this Month.

In each Account specifying particulars, sorting out and classifying items of the same kind together, so as to require but one posting for the Month.

MONTHLY JOURNAL.

Ledger Folio.	Date.	January, 1868.	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		*Stock Dr. to James Cooke	20	0	0			
		For Amount due to him at this date				20	0	0
		Cash Dr. to Sundries†	503	15	0			
		(For all Receipts this Month.)						
1		To Stock,				500	0	0
5		To Merchandise				3	15	0
		Sundries Dr. to Cash				21	6	0
		(For all Payments this Month.)						
15		Thomas Jones	20	0	0			
25		Profit and Loss (Expenses)	1	6	0			
		Merchandise Dr. to Sundries	84	11	8			
		(For all Purchases this Month.)						
2		To Thomas Jones				70	0	0
6		To James Cooke				14	11	8
		Sundries Dr. to Merchandise				38	8	4
		(For all Sales this Month.)						
4		James Cooke £8 0 0						
18		Do. do. 20 0 0						
			28	0	0			
18		Thomas Jones	10	8	4			
		Carried forward £	668	1	0	668	1	0

* To Journalize your Inventory of Assets and Liabilities, see p. 42.

† The word Sundries is used to imply two or more persons or things.

Leger Folio.	Date.	January, 1868.	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		Brought forward	£ 668	1	0	668	1	0
18		Bills Receivable Dr. to James Cooke*	20	0	0			
		For his acceptance at 6 weeks				20	0	0
7		*James Cooke, Dr. to Bills Payable				26	11	8
		Given him my Acceptance at 6 weeks	26	11	8			
		Amount of Month	£ 714	12	8	714	12	8

THE LEDGER.

The object of the Ledger is to collect the scattered items of the same kind from the Journal or primary books, and to place them under their respective heads or accounts. This Book will show (when properly adjusted) the Merchant's net Capital or Actual Worth, and also how he stands with regard to his Cash, Merchandise, Debtors and Creditors, and his Gains or Losses.

The Ledger is constructed upon the axiom, "*The whole* is equal to the sum of its parts," or, "All the parts taken together will equal the whole."

Your Assets, or Property (with which you begin business), are considered as the whole, and they are entered to the credit of the Stock Account (that is, your own account) in one sum. The different items that compose this sum are entered to the Debit of their respective accounts. Your Debts, or Liabilities (at the time you begin business), are entered to the Debit of the Stock Account, and the items of which they are composed are entered to the Credit of their respective accounts. The parts then taken together will equal the whole, and the amount of the *Drs.* and the amount of the *Crs.* will always be equal and check each other. This equality of the *Drs.* and *Crs.* is the Principle of Double Entry.

You will observe in this exercise that, on commencing, your Assets amounted to £500, which are entered to the Credit of Stock, and as it consisted of money only you entered the same sum to the Debit of the Cash Account, making the *Drs.* and *Crs.* equal.

Again; your debts at the same time amounted to £20, which are

* If two or more Bills had been received, or issued, the word *Sundries* should have been used.

entered to the Debit of Stock, and also to the Credit of James Cooke, still keeping the *Drs.* and *Crs.* equal.

Again : Property in the course of business is continually changing : still the *Drs.* and *Crs.* will remain equal ; for from the axioms, "If equals be added to equals the sums will be equal," or "If equals be taken from equals the remainders will be equal," it is evident that the equality of *Drs.* and *Crs.* must still exist. By this method of keeping your accounts the *Drs.* and *Crs.* are always equal, and they not only show your whole Capital, but also each of the parts of which that Capital is composed.

*Hints on Posting.**

Before you begin Posting, open the Accounts in the Ledger and make an Index.

To open an Account is to write its name for the first time in the Ledger. (See note, page 8.)

The method of Posting, or collecting the items or facts from the Journal into the Ledger, is best shown by taking a few of the foregoing Journal entries and posting them into the Ledger.

Take, for example, the first (page 43)—

Leger Folio.	Date.	January, 1868.	Dr.			Cr.		
			£	s.	d.	£	s.	d.
2	1	Cash Dr.	500	0	0			
1		To Stock				500	0	0

Now, in posting these items (that is, *Cash* and *Stock*), you first turn (by the help of the Index) to the Cash Account in the Ledger (marking in the Journal the folio of the Ledger in which you find the Cash Account), and as Cash is the recipient account, it is *Dr.*; therefore on the *Dr.* side of Cash Account you enter, *To Stock*, £500 (see Ledger, fol. 2); then proceeding as before, you turn to the *Stock* Account. Now as *Stock* is the imparting account, it is *Cr.*; therefore write on the *Cr.* side, *By Cash*, £500 (see Ledger, fol. 1).

Again:—

* Posting, registering ; transcribing from one book to another.

Ledger Folio.	Date.	January, 1868.	Dr.			Cr.		
1	1	Stock Dr.	£	s.	d.	£	s.	d.
			20	0	0			
2		To James Cooke				20	0	0

Here proceeding as before, turn to Stock, and enter, on the *Dr.* side, "To James Cooke, £20;" then turn to James Cooke's account, and write on *Cr.* side, "By Stock, £20."

Take the next—

Ledger Folio.	Date.	January, 1868.	Dr.			Cr.		
1	1	Irish Linen Dr.	£	s.	d.	£	s.	d.
			70	0	0			
2		To Thomas Jones, for 40 pieces				70	0	0

By the same process—

Turn to Irish Linen, and enter on the *Dr.* side, "To Thomas Jones, 40 pieces, £70;" then turn to Thomas Jones, and write on *Cr.* side, "By Irish Linen, £70;" and so on with all the rest.

You will observe by this method of Double Entry, that as every transaction involves two accounts, and that whatever is entered on the *Dr.* side of one account, is also entered on the *Cr.* side of some other account, it follows that the *Drs.* and *Crs.* in the Ledger are always equal.

Index to the Ledger.

					Folio
B	{	Balance .. ..	..	..	4
		Bills Receivable .. ..	..	..	2
		Bills Payable .. ..	..	..	2
C	{	Calico .. ..	..	..	1
		Cash .. ..	..	..	2
		Cooke, James .. ..	..	..	2
I		Irish Linen .. ..	..	..	1
J		Jones, Thomas .. ..	..	..	2
P		Profit and Loss .. ..	..	..	1
S		Stock .. ..	..	..	1

(Folio 1.)

<i>Dr.</i>				<i>Cr.</i>			
LIABILITIES.				ASSETS.			
STOCK.							
1	To James Cooke . . .	£	s. d.	1	By Cash	£	s. d.
	To Balance—my net	20	0 0		By Profit and Loss—my	500	0 0
	Capital	484	10 8		net Gain	4	10 8
		£	504 10 8			£	504 10 8

<i>Dr.</i>				<i>Cr.</i>			
LOSSES.				GAINS.			
PROFIT AND LOSS.							
25	To Cash	1	6 0		By Irish Linen . . .	3	15 0
	To Stock*—my net Gain	4	10 8		By Calico	2	1 8
		£	5 16 8			£	5 16 8

<i>Dr.</i>				<i>Cr.</i>			
BOUGHT.				SOLD.			
IRISH LINEN.							
2	To T. Jones	ps. yds.	£ s. d.	4	By J. Cooke	ps. yds.	£ s. d.
	To Profit and Loss—gained }	40 1200 @ 1/2	70 0 0	5	By Cash . . .	4 120 @ 1/4	8 0 0
			3 15 0	18	By J. Cooke	2 60 @ 1/3	3 15 0
					By Balance unsold † }	10 300 @ 1/4	20 0 0
						24 720 @ 1/2	42 0 0
			73 15 0				73 15 0

<i>Dr.</i>				<i>Cr.</i>			
				CALICO.			
6	To J. Cooke	ps. yds.	£ s. d.	18	By T. Jones	ps. yds.	£ s. d.
	To Profit and Loss—gained }	35 875 @ 0/4	14 11 8		By Balance unsold }	20 500 @ 0/5	10 8 4
			2 1 8			15 375 @ 0/4	6 5 0
			16 13 4				16 13 4

* The balance of the Profit and Loss Account if a net gain increases, and becomes a part of, your Capital or Stock, and is carried to the Assets on the *Cr.* side of the Stock Account; but if a net loss, it decreases it, and is entered on the *Dr.* side.

† In this Account the quantity bought was 40 pieces and the quantity sold 16 pieces; the difference will be 24 pieces unsold, which constitutes the Balance of the goods, and their value (here taken at the purchasing price) is entered on *Cr.* side; then the difference between the two sides will show a *Gain or Loss*; if a *Gain*, it will fall on the *Dr.* side, but if a *Loss* on the *Cr.* side.

(Folio 2.)

<i>Dr.</i>		CASH.				<i>Cr.</i>				
		£	s.	d.		£	s.	d.		
1	To Stock	500	0	0	15	By Thomas Jones . .	20	0	0	
5	To Irish Linen . .	3	15	0	25	By Profit and Loss . .	1	6	0	
						By Balance in hand .	482	9	0	
		£	503	15	0		£	503	15	0

<i>Dr.</i>		BILLS RECEIVABLE.				<i>Cr.</i>				
18	To J. Cooke . . .	20	0	0		By Balance in hand .	20	0	0	
		£	20	0	0		£	20	0	0

Dr.		BILLS PAYABLE.					Cr.			
	To Balance unredeemed	26	11	8	7	By James Cooke . .	26	11	8	
	£	26	11	8			£	26	11	8

Dr.		JAMES COOKE.				Cr.				
4	To Irish Linen . .	8	0	0	1	By Stock	20	0	0	
7	To Bills Payable . .	26	11	8	6	By Calico	14	11	8	
18	To Irish Linen . .	20	0	0	18	By Bills Receivable .	20	0	0	
		£	54	11	8		£	54	11	8

<i>Dr.</i>		THOMAS JONES.				<i>Cr.</i>				
15	To Cash	20	0	0	2	By Irish Linen . . .	70	0	0	
18	To Calico	10	8	4						
	To Balance due to him	39	11	8						
		£	70	0	0		£	70	0	0

Before you adjust or balance the Accounts in the Ledger it is necessary to ascertain the accuracy of the Ledger entries, which is done by making what is called a *Trial Balance*, thus:—Prepare a sheet of paper in the following manner, writing the names of the Accounts in the middle, with the sums of the *Drs.* on the left and the sums of the *Cr.*s. on the right hand sides. Now if the items have been correctly posted, the total amount of the *Drs.* will equal the total amount of the *Cr.*s.

(Folio 3.)

<i>Drs.</i>			TRIAL BALANCE.			<i>Crs.</i>			
£	s.	d.	<i>Names of the Accounts.</i>			£	s.	d.	
20	0	0	..	..	..	Stock	500	0	0
1	6	0	..	..	..	Profit and Loss			
70	0	0	..	..	..	Irish Linen	31	15	0
14	11	8	..	..	..	Calico	10	8	4
503	15	0	..	..	..	Cash	21	6	0
20	0	0	..	..	..	Bills Receivable			
			..	..	..	Bills Payable	26	11	8
54	11	8	..	..	..	James Cooke	54	11	8
30		4	..	..	..	Thomas Jones	70	0	0
£714	12	8				£714	12	8	

Now this proof is evident, from the fact that whatever was entered on the *Dr.* side of one account the same was entered on the *Cr.* side of some other account or accounts.

And it is also evident since these entries were made direct from the Journal that the total amount of the *Drs.* and *Crs.* of the Journal must agree with the total amount of the *Drs.* and *Crs.* of the Ledger.

NOTE.—This Balance affords no check on the original entries in the Waste-Book or Journal. The principal cases in which errors can be committed in the Ledger without affecting the equality of the Debtors and Creditors, are:—

1. An entry may be posted to the wrong account.
2. A Debit entry may be short-posted and another over-posted for the same amount. The same may occur with the Credit entries.
3. A Debit and Credit entry may be equally short-posted, equally over-posted, or wholly omitted.
4. Similar cases may occur in the additions.

The three latter cases are technically called a Balance of Errors.

ON CLOSING THE LEDGER.

The accuracy of the Entries having been tested by the Trial Balance, you now proceed to balance or adjust all the accounts in the Ledger, leaving the *Stock*, *Profit and Loss*, and the *Balance* till the last.

Adjust or balance the accounts as shown in the beginning of the book (*see pp. 8 to 15*).

Then proceed to make up the Profit and Loss Account, thus:—

1st. Examine the several Merchandise Accounts and see what gains you have made or what losses you have sustained.

2nd. If you have made a gain on any kind of Goods, carry it to the *Cr.* side of the Profit and Loss Account, but if you have sustained a loss, to the *Dr.* side (*see Ledger, fol. 1*).

3rd. The difference between the two sides will show a net gain or a net loss, as the case may be.

4th. If the difference is a net gain, it increases your capital and is carried to the *Cr.* of the Stock Account (*see Ledger, fol. 1*).

5th. If it is a net loss it decreases your capital, and is carried to the *Dr.* side of the Stock Account.

TO BALANCE THE STOCK ACCOUNT.

Having transferred the net gain or net loss, as before stated, to the Stock Account, then the difference between the two sides will show your net capital or actual worth.

TO MAKE THE BALANCE SHEET.

The Balance Sheet contains all the Assets and Liabilities as represented by the Balances of the different accounts in the Ledger.

The Assets, or effects, are entered on the *Dr.* side; the Liabilities, or debts, on the *Cr.* side.

The difference between the amount of the *Dr.* side and the amount of the *Cr.* side, will show your net capital, or present worth, and, if the work is correct, will equal the Balance of the Stock Account.

(Folio 4.)

FORM OF BALANCE SHEET.

<i>Dr.</i>	ASSETS.	BALANCE.			LIABILITIES.	<i>Cr.</i>		
		£	s.	d.		£	s.	d.
To Irish Linen .. 24 ps.		42	0	0	By Bills payable	26	11	8
„ Calico 15 „		6	5	0	„ Thomas Jones	39	11	8
„ Cash in hand ..		482	9	0	„ Stock, net value of	484	10	8
„ Bills Receivable ..		20	0	0	my capital in busi- ness at this date .. }			
		£ 550	14	0		£ 550	14	0

ANOTHER METHOD.

Balance Sheet, January 30, 1868.

ASSETS.		Fol.	£	s.	d.	£	s.	d.
1. Stock of goods on hand, viz. :—								
Irish Linen, 24 ps. valued at	1	42	0	0				
Calico 15 „	1	6	5	0				
2. Debts due to A. B. (the Merchant)	2	20	0	0				
3. Bills Receivable	2	482	9	0				
4. Cash in hand at this date	2				550	14	0	
LIABILITIES.								
1. Bills Payable, outstanding	2	26	11	8				
2. Debts due by A. B. (the Merchant):								
To Thomas Jones	2	39	11	8	66	3	4	
Balance in favour of A. B. (the Merchant), showing } his net Capital, as before }					£ 484	10	8	

You will now observe that there are two ways by which you find your net capital or present worth, viz. :—

1st. The difference between the total amount of your assets and the total amount of your liabilities will show your net capital, or present worth, as shown in the Balance Account.

2nd. If to your actual worth or capital (with which you began business) you add your net gain or deduct your net loss, the result

will show your net capital, or present worth, as before shown, in the Stock Account (*see* Stock Account and Balance Account, Ledger, fol. 1 and 4).

By the following method, the state of any particular account, as well as the general result, may at any time be readily ascertained, without the trouble of closing or balancing the Ledger.

ANALYSIS OR ABSTRACT OF LEDGER.

CASH.				JAMES COOKE.			
Receipts	£503	15	0	I owe him	£54	11	8
Payments	21	6	0	He owes me	54	11	8
<hr/>				<hr/>			
Cash in hand	£482	9	0	Balance due to or by me			
<hr/>				(as case may be)			
<hr/>				<hr/>			
BILLS RECEIVABLE.				THOMAS JONES.			
Received	£20	0	0	I owe him	£70	0	0
Disposed of				He owes me	30	8	4
<hr/>				<hr/>			
Amount of Bills in hand ..	£20	0	0	Balance due by me to T. J.	£39	11	8
<hr/>				<hr/>			
BILLS PAYABLE.				CALICO.			
Issued	£26	11	8	Amount of Sales	£10	8	4
Redeemed				Calico on hand, valued at	6	5	0
<hr/>				<hr/>			
Amount of Bills unpaid ..	£26	11	8		16	13	4
<hr/>				<hr/>			
IRISH LINEN.				Deduct cost			
Amount of Sales	£31	15	0		14	11	8
Irish Linen on hand, } valued at }	42	0	0	<hr/>			
<hr/>				Gain by Calico	£2	1	8
	73	15	0	<hr/>			
Deduct cost	70	0	0	<hr/>			
Gain by Irish Linen ..	£3	15	0	<hr/>			
<hr/>				<hr/>			
BALANCE SHEET.				GAINS.			
Assets.				By Irish Linen	£3	15	0
Irish Linen	£42	0	0	By Calico	2	1	8
Calico	6	5	0	<hr/>			
Bills Receivable ..	20	0	0	Total Gains	£5	16	8
Cash in hand	482	9	0	<hr/>			
<hr/>				LOSSES.			
Total Assets	£550	14	0	To amount } posted to P. } & L. . . . }	£1	6	0
<hr/>				Total Losses	1	6	0
Liabilities.				Net Gain	£4	10	8
Bills Payable	£26	11	8	<hr/>			
Thomas Jones	39	11	8	Net Capital commencing	£480	0	0
<hr/>				Add subsequent Gain ..	4	10	8
Total Liabilities	66	3	4	Capital as before	£484	10	8
Capital or present worth	£484	10	8	<hr/>			
<hr/>				<hr/>			

OBSERVATIONS ON BOOK-KEEPING BY SINGLE AND DOUBLE ENTRY.

Book-keeping by Single Entry is, as the name implies, the entry of the transactions recorded in the Waste-Book, *once* to some account in the Ledger.

The examples in Part I. illustrate how the accounts of a trader would appear if his books were kept by Single Entry. In fact the whole of Part I. might be considered as lessons and exercises in the principles of Book-keeping by Single Entry.

This method is employed by many retail traders, but it is both unscientific and unsatisfactory. It is unscientific inasmuch as there is no relation whatever between the various accounts, and most unsatisfactory in its results, since there is no possible check upon the accuracy of the entries. It is wholly inadequate to the statement of complicated transactions, or in fact to the transactions of any business conducted on any other principle than that of cash payments and short credit.

Book-keeping by Double Entry may be described as the art of keeping Accounts in a scientific manner. Its advantages may be thus summarized :—

1. Each Account in the Ledger exhibits in a clear form all the transactions in that particular class of dealings ;
2. As a check upon the accuracy of the entries in the Ledger, the totals of the *Dr.* entries must always equal the totals of the *Cr.* entries, and should agree with the totals in the Journal ;
3. The gains or losses in all the several branches of the business can be ascertained at any moment, and the net gain or loss on the whole of the transactions are exhibited in a concise form in one account—the Profit and Loss Account ;
4. The merchant's exact position is accurately determined by the equality of two balances essentially different in their composition,—namely, the balance of the Stock Account and the Balance Sheet ;
5. It is applicable to the accounts of all classes :—merchants, manufacturers, bankers, insurance companies, traders, public bodies, corporations, and individuals ; and
6. It has a simplicity and accuracy which no other form of Book-keeping ever invented possesses.

EXERCISES ON THE PRINCIPLE OF DOUBLE ENTRY.

The object of the following Exercises is to enable the pupil to obtain proficiency in Journalizing and Posting a number of simple transactions before proceeding to study some of the methods adopted for facilitating the Posting of more complicated Accounts. These Exercises might first be Journalized *daily* and then *monthly*.

EXERCISE 1.

Feb. 1, 1868. The following Assets and Liabilities are taken from the Balance Sheet of last month.

<i>Assets.</i>		£	s.	d.
Cash in hand at this date	.. ..	482	9	0
Irish Linen, 24 ps., each 30 yds., @ 1/2 p yd.	.. ..	42	0	0
Calico 15 " " 25 " @ 4d. "	.. ..	6	5	0
Bills Receivable, No. 1, due March 4 .. ..	.. ..	20	0	0
<i>Liabilities.</i>				
Bills Payable, outstanding, No. 1 .. ..	.. ..	26	11	8
Thomas Jones, due to him .. ..	.. ..	39	11	8
2. Bought for ready money 63 ps. Long Lawn, @ £2 16s. p p. .. ..	.. ..		
10. Bought of James Cummings 120 ps. Corduroys, @ 36/6 p p. .. ..	.. ..		
12. Given Thomas Jones my Promissory Note, at 6 weeks, for the Balance of his Account .. ..	.. ..		
13. Sold Thomas Jones 20 ps. Irish Linen, each 30 yds., @ 1/4 p yd. .. ..	.. ..		
14. Sold for Cash 4 ps. Calico, each 25 yds., @ 5d. p yd. .. ..	.. ..		
" Sold for Cash 4 ps. Irish Linen, each 30 yds., @ 1/4 p yd. .. ..	.. ..		
15. Sold for Cash 100 ps. Corduroys, at 30/. p p. .. ..	.. ..		
16. James Cummings has drawn a Bill on me at 2 months for the Corduroys bought of him on the 10th .. ..	.. ..		
17. Bought of Richard Hamilton 26 ps. Druggets, @ £6 10s. p p. .. ..	.. ..		
18. Sold for Cash 9 ps. Calico, each 25 yds., @ 5 1/2d. p yd. .. ..	.. ..		
19. Sold James Cummings 12 ps. Druggets, @ £7 p p. .. ..	.. ..		
20. Sold Richard Hamilton 30 ps. Long Lawn, @ £3 10s. p p. .. ..	.. ..		
21. Sold Thomas Jones 25 ps. Long Lawn, @ £3 15s. p p. .. ..	.. ..		
" Paid Richard Hamilton on Account .. ..	.. ..	30	0	0
23. Sold Williams & Co. 15 ps. Corduroys, @ 36/6 p p., and received his Bill at 6 weeks for the amount .. ..	.. ..		

NOTE.—The Pupil should rule books himself, and make a Waste-Book, Journal, and Ledger, from the above transactions in the same form as shown in the preceding examples.

Feb. 23. Given Richard Hamilton my Bill on Williams & Co. in part payment of his Account ..	£	s.	d.
24. Sold Russell & Co. 12 ps. Druggets, @ £6 15s. $\frac{1}{2}$ p., and received his Bill on Wilson & Co. for the amount			
25. Sold for Cash 2 ps. Druggets, £7 $\frac{1}{2}$ p. ..			
26. Paid Porter's Wages and other expenses* ..	12	15	0
27. Sold the remainder of the Long Lawn, @ £3 15s. $\frac{1}{2}$ p., to Russell & Co. and received their Promissory Note at 3 weeks			

Make a Waste-Book, Journal, and Ledger out of the above transactions; find the gain or loss and your net Capital.

EXERCISE 2.

Mar. 1, 1868. An inventory of my property and debts with which I begin business.

My available property—†	£	s.	d.
Cash in hand	1500	0	0
4 Pipes of Port Wine, @ £70 $\frac{1}{2}$ pipe			
144 Doz. Cape Wine, @ 25/. $\frac{1}{2}$ doz.			
48 „ Sherry, @ 45/. „			
5 Casks Brandy, each 18 galls., @ 22/6 $\frac{1}{2}$ gall. ..			
John Simmons owes me	35	8	6
William Pemberton ditto	75	0	0
Bills Receivable, No. 5, on Charles Hammond, due Mar. 15	87	0	0
Ditto No. 6, on Raymond & Co., due Mar. 26 ..	54	17	6

I owe as follows—

Bills Payable, No. 9, due Mar. 19	105	0	0
Ditto No. 10 „ „ 25	63	12	4
John Mills, due to him	37	0	0
Henry Hill ditto	57	16	6

- Mar. 2. Sold Henry Hill 1 Pipe Port Wine, @ £76 $\frac{1}{2}$ pipe
3. Bought of John Simmons, 50 doz. Old Port Wine, @ 60/. $\frac{1}{2}$ doz., and gave him my Draft at 2 months for the amount
4. Sold William Pemberton 2 Casks Brandy, at 26/6 $\frac{1}{2}$ gall.

* All cases of this kind, in which you pay money without receiving any direct return, are considered losses, and are Journalised thus—Profit and Loss *Dr.* to Cash. (See Appendix III., page 114.)

† Your Assets and Liabilities are Journalised thus—

The Assets (stating particulars) *Dr.* to Stock (the whole amount).
 Stock (the whole amount) *Dr.* to Liabilities (stating particulars).

Mar. 5. Charles Hammond has purchased 2 Casks Brandy, @ 27/6 p gall., and has given me his Promissory Note at 30 days for the same	£	s.	d.
8. Sold for Cash 1 Cask Brandy, @ 25/. p gall. ..			
„ I have drawn a Bill at 3 months on William Pemberton for what he owes me			
9. Bought of John Mills 2 Casks Brandy, each 36 galls., @ 20/. p gall., and gave him my Acceptance at 2 months for the same ..			
12. Sold for Cash 10 Galls. Brandy, @ 26/. p gall.			
„ Sold Charles Hammond 12 doz. Sherry, @ 54/. p doz.			
„ Bought at Public Sale 24 doz. Sherry, @ 48/. p doz., and 1 Cask of Brandy, 18 galls., @ 18/. p gall., and paid for the same in Cash			
13. Bought of Henry Hill 10 doz. Sherry, @ 32/. p doz.			
15. Charles Hammond has paid his Bill, No. 5, due this day	87	0	0
16. Sold John Simmons 12 doz. Cape Wine, @ 30/. p doz.			
17. Sold Charles Hammond the Sherry and Brandy bought at Public Sale at an advance of 25 % profit, and received his Acceptance for the same			
18. Allowed William Pemberton for short measure, at regauge on the 2 Casks Brandy sold him on the 4th, 1½ galls., @ 26/6 p gall ..			
19. I have taken up my Bill, No. 9, due this day ..	105	0	0
20. Sold 15 doz. Cape Wine to Charles Hammond, @ 27/6 p doz.			
23. Sold for Cash 6 doz. Old Port, @ 70/. p doz.			
24. Sold Raymond & Co. 12 doz. Old Port, @ 70/. p doz.			
25. Paid my Acceptance, due this day, No. 10 ..	63	12	4
26. Raymond & Co. have taken up their Bill, No. 6, due this day	54	17	6
28. Paid Clerk 1 month's Salary	8	6	8
„ Paid 1 quarter's Rent for Office and Cellars ..	45	0	0
29. Sold for Cash 4 doz. Old Port, @ 70/. p doz. ..			
30. Paid Porter's Wages, Cartage, and other expenses	10	16	6

Make a Waste-Book, Journalise the transactions, Post them into the Ledger, and find your gains or losses, and your net Capital.

EXERCISES.

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EXERCISE 3.

	£	s.	d.
Apr. 1, 1868. Cash in hand at this date	120	0	0
And at Banker's (Union Bank)	1385	0	0
Goods on hand—			
Congou Tea, 20 Chests, each 60 lbs., @ 2/8 $\frac{1}{2}$ lb.			
Hyson Tea, 14 „ „ 10 „ @ 4/6 „			
Sugar, 4 hhds. each 15 cwt. net, @ 38/ $\frac{1}{2}$ cwt.			
Mocha Coffee, 27 Bags, each 56 lbs., @ 1/2 $\frac{1}{2}$ lb.			
Bills in hand—			
Bills Receivable—No. 10, on Thomas Harrison, due April 7	120	14	6
Ditto No. 11, on George Dawson, due April 21	89	19	6
Ditto No. 12, on Abrahams & Co., due May 7	57	10	0
William Banister owes me	175	7	9
I owe as follows—			
Bills Payable—No. 8, due April 10	77	10	0
Ditto No. 7 „ „ 18	204	14	2
John Roberts, due to him	150	0	0
Simpson & Co., due to them	39	18	6
Apr. 2. William Banister has settled his Account as follows—*			
A bill on Jones & Co. @ 2 months	125	7	9
The remainder in Cash			
3. I have given John Roberts a Bill @ 2 months, on Jones & Co., £125 7s. 9d., and the rest in Cash, in settlement of his Account			
7. Sold William Banister 10 Chests Congou Tea, each 60 lbs., @ 2/8 $\frac{1}{2}$ lb., and received as follows—			
A Bill on Thomas & Co. @ 6 weeks	65	0	0
The remainder in Cash			
„ Thomas Harrison has taken up his Bill, No. 10, due this day			
9. Simpson & Co. have bought 10 Chests Hyson Tea, each 10 lbs., @ 5/6 $\frac{1}{2}$ lb.			
10. Sold for Cash 2 hhds. Sugar, each 15 cwt. net, @ 45/ $\frac{1}{2}$ cwt.			
„ I have taken up my Bill, No. 8, due this day	77	10	0
* In this Account Bills Receivable and Cash were received:—			
Bills Receivable will be Dr. £125 7 9			
And Cash will be Dr. 50 0 0			
To William Banister.	£175	7	9

In the next transaction, J. Roberts is the recipient Account, and the Bill and Cash the Imparting Accounts.

Apr. 12. Sold Simpson & Co. 12 Bags Mocha Coffee, each 56 lbs., @ 1/2 p lb., slightly damaged ..	£	s.	d.
15. Sold Thomas Harrison 5 Chests Congou Tea, each 60 lbs., @ 4/6 p lb., and received from him a Bill @ 6 weeks on Raymond & Co. for £57 10s. and the Balance in Cash			
17. Bought of William Banister 3 hhds. Sugar, each 16½ cwt. net, @ 32/6 p cwt.			
18. Paid Clerk's Salary p Cheque on Union Bank ..	10	10	0
„ My Bill, No. 7, due this day, payable at the Union Bank, has been duly honoured ..	204	14	2
19. Paid into the Union Bank, to be placed to my Credit, viz.—			
Cash	£50	0	0
A Bill on Thomas & Co. @			
6 weeks, No. 11	65	0	0
Ditto Raymond & Co., @			
6 weeks, No. 12	57	10	0
20. Sold for Cash 5 Bags Mocha Coffee, each 56 lbs., @ 1/1 p lb., slightly damaged			
21. George Dawson has taken up his Bill due this day	89	19	6
23. Sold 2 hhds. Sugar, each 15 cwt. net, @ 39/6 p cwt., to Simpson & Co.			
24. Paid House Expenses, &c.	25	18	6
25. Lost a Bank Note for	10	0	0
27. Sold George Dawson 5 Bags Mocha Coffee, each 56 lbs., @ 11d. p lb., damaged, for Cash ..			
28. Sold George Dawson 3 Chests Hyson Tea, each 10 lbs., at 5/ p lb., for Cash ..			
29. Paid House Rent, 1 quarter, due March 25, by Cheque on Union Bank	10	10	0
30. Paid 1 quarter's Poor Rate	0	18	8

Make a Waste-Book out of the above transactions, Journalise them, and Post them into the Ledger; find your gains and losses and your net Capital.

NOTES.—1. If you open a Bank Account in your Ledger, Debit the Bank for all sums you pay in, and Credit it for all sums you draw out.

2. All sums paid away for which you get no direct return, such as house-rent, clerk's salary, money lost, and the like, are placed to the Debit of Profit and Loss. (See Appendix III., page 114.)

3. All clear gains are entered to the Credit of Profit and Loss.

As a general rule for Journalising the above, in all cases when it is a loss, say—
Profit and Loss *Dr.* to Cash.

And in all cases where it is a gain, say—
Cash *Dr.* to Profit and Loss.

QUESTIONS FOR EXAMINATION.

1. What is the meaning of the terms "Debit" and "Credit"?
2. Which side of an Account-Book is allotted to Debit Account and which to Credit Account?
3. What is an Account?
4. What is the Balance of an Account?
5. On which side of a Cash-Book must the Balance (if any) always fall?
6. What is Book-keeping by Double Entry, and why is it so called?
7. What is the least number of books used in Double Entry?
8. At the end of the year a merchant closes his Ledger: describe the process.
9. How should Merchandise Accounts be closed?
10. How would you close the Profit and Loss Account?
11. How would you close the Stock Account?
12. Describe the process of making the Balance Sheet.
13. What does the Stock or Capital Account represent?
14. What does Stock contain on the *Dr.* and *Cr.* sides?
15. What does the Balance of Stock show?
16. When the Profit and Loss Account is properly adjusted, what does it show?
17. To what Account is the difference of Profit and Loss carried at balancing?
18. Give the rule for Journalizing.
19. Explain how you would arrange a Cash-Book.
20. What is the object of a Cash Account?
21. What is the object of a Personal Account?
22. In a Personal Account what is entered on the *Dr.* side, what on the *Cr.* side, and what will the Balance show?
23. How do you Journalize your Assets on commencing?
24. How do you Journalize your Liabilities on commencing?
25. What is the Waste-Book?
26. What is the Journal?

EXERCISE 4.

May 1, 1868. Inventory of Money, Goods, and Debts belonging to me, A. B., and also what I owe:—

<i>Assets.</i>				£	s.	d.
Cash in hand	..	..	..	1500	0	0
Sugar, 10 hhds., each 12 cwt., @ £2 15s. $\frac{3}{4}$ cwt.	..	..	..	330	0	0
Bills Receivable—No. 1, due May 20	..	..	..	350	0	0
Henry Palmer owes me	..	..	..	250	0	0

<i>Liabilities.</i>		£	s.	d.
Bills Payable—to T. Timms, No. 1, due May 28		400	0	0
Hindle & Co., due to them		204	0	0
Chambers & Co., ditto		125	0	0
May 2. Bought for Cash 60 ps. Linen, each 25 yds., @ 1/4 p yd.				
3. Sold for Cash 4 hhds. Sugar, each 12 cwt., @ £8 3s. p cwt.				
5. Bought of Henry Palmer 12 ps. Cloth, each 25 yds., @ 13/4 p yd.				
7. Sold Hindle & Co., 25 ps. Linen, each 25 yds., @ 1/6 p yd.				
10.* Sold George Randle 9 ps. Cloth, each 25 yds., @ 16/. p yd., and received his Promissory Note at 21 days for £90 and the remainder in Cash				
11. Bought of Johnson & James 86 ps. Calico, each 23 yds., @ 9d. p yd., for which I gave them my Promissory Note at 21 days for the amount				
12. Sold Jones & Lewis the following Goods— 10 ps. Linen, each 25 yds., @ 1/8 p yd. .. 1 hhd. Sugar, wt. 12 cwt. net. .. 3 ps. Cloth, 75 yds., @ 15/6 p yd. .. For which I have received their Bill at 2 months.			37	16 0
14. Advanced Hindle & Co., on account		100	0	0
16. I have drawn a Bill upon Henry Palmer, at 2 months, for the balance of his Account ..				
17. I have given Hindle & Co. my Promissory Note at 6 weeks for the balance of their Account ..				
20. Bills Receivable—No. 1, due this day, has been duly honoured		350	0	0
21. Received a Legacy of		100	0	0
22. Lost a Bank Note, value		20	0	0
23. Paid Chambers & Co.'s Account, £ .. , for which they allow me 1 month's Discount, @ 5 %†				

* In this transaction, a Bill and Cash were received, and goods delivered.
Debit the Bill and Cash, and Credit the goods, thus—

Bills Receivable	Dr. £90	0	0
Cash	Dr. 90	0	0

To Cloth, 9 pieces £180 0 0

† The discount allowed you is a clear gain, therefore place it to the Cr. of Profit and Loss: thus—

Chambers & Co. Dr. £125 0 0

To Cash (less discount)	124	9	7
To Profit and Loss (for discount)	0	10	5

- May 26. Sold for Cash 30 ps. Calico, each 23 yds., @ £ s. d.
 10d. $\frac{3}{4}$ yd.
 27. Sold the remainder of the Sugar, at £3 $\frac{3}{4}$ cwt.,
 to Hindle & Co.
 28. I have taken up my Bill, No. 1, due this day .. 400 0 0
 29. Paid sundry expenses this month, $\frac{3}{4}$ P.C.B. .. 34 17 9
 30. Paid Clerk 1 month's Salary 10 10 0
 Journalize these transactions, post them into the Ledger, find
 your gains or losses, and your actual worth.

EXERCISE 5.

- June 1, 1868. Commenced business this day with a
 capital of £2000, viz.— £ s. d.
 Cash in hand 250 10 6
 At Banker's (London and Westminster) .. 1749 9 6
 2. Bought 79 Pigs of Lead, each $4\frac{1}{2}$ cwt., @ £21
 $\frac{3}{4}$ fother,* of Horne and Jones, and paid
 them as follows—
 My acceptance at 3 months, No. 1, £300
 Cash for the balance
 3. Bought of Payne & Co. 12 Pockets Kentish
 Hops, each $3\frac{1}{2}$ cwt. net, @ £4 5s. $\frac{3}{4}$ cwt.,
 and gave them a cheque for the amount ..
 4. Lent James Hannan, for 15 days, @ 5% Interest 50 0 0
 5. Bought at Public Sale 5 hhds. Tobacco, each
 14 cwt. gross, tare 14 lbs. $\frac{3}{4}$ cwt., @ £10 16s.
 $\frac{3}{4}$ cwt., and gave my Draft for the amount
 at 3 months
 6. I have discounted a Bill for James Hannan,
 drawn by Wilson & Co. on Horne & Jones,
 at 3 months, for £135, and given him—
 Cash £
 Less discount, at @ 5%
 7. Sold Manners & Co. 2 hhds. Tobacco, each
 14 cwt. gross, tare 14 lbs. $\frac{3}{4}$ cwt., @ £12 $\frac{3}{4}$
 cwt. net, and received in payment a Bill at
 2 months on Charles Brown
 8. Sold Barclay & Co. 8 Pockets Hops, each $3\frac{1}{2}$
 cwt. net, @ £5 $\frac{3}{4}$ cwt.
 9. Sold John Smith 37 Pigs Lead, each $4\frac{1}{2}$ cwt.,
 @ £22 $\frac{3}{4}$ fother, and received payment as
 follows—
 Cash in part £50 0 0
 His Draft at 2 months for
 the rest
 12. Sold Barclay & Co. 2 Pockets Hops, each $3\frac{1}{2}$
 cwt., @ £5 $\frac{3}{4}$ cwt.

* A Fother of Lead = $19\frac{1}{2}$ cwt.

June 13. Barclay & Co. have given me a Bill at 6 weeks on Armstrong & Co. for the amount of their Account	£	s.	d.
„ Bought of Edwards & Son a quantity of Block Tin, wt. 27 cwt. 2 qrs., @ £5 6s. 8d. $\frac{3}{4}$ cwt.			
14. Sold for Cash 1 hhd. Tobacco, 14 cwt. gross, tare 14 lbs. $\frac{3}{4}$ cwt., @ £12 10s. $\frac{3}{4}$ cwt. net.			
15. Sold the remainder of Tobacco @ £11 15s. $\frac{3}{4}$ cwt. net, for ready money			
16. Bought of Payne & Co. 20 Pockets Kentish Hops, each $3\frac{1}{2}$ cwt. net, at £5 per cwt., and settled for them as follows—			
My Acceptance at 3 months	£250	0	0
The balance by Cheque (on L. & W. Bank)			
17. Received from James Hannan the money I lent him, viz.—			
Cash	£50	0	0
15 days' interest @ 5%			
19. Sold Barclay & Co. 10 Pockets Kentish Hops, each $3\frac{1}{2}$ cwt. net, @ £6 10s. $\frac{3}{4}$ cwt.			
20. Sold Reid & Co. 5 Pockets Kentish Hops, each $3\frac{1}{2}$ cwt. net, @ £7 $\frac{3}{4}$ cwt., allowing $2\frac{1}{2}$ % for prompt payment			
21. Sold James Smith, Block Tin weighing 19 cwt., @ £6 $\frac{3}{4}$ cwt., and received in payment his Promissory Note at 1 month			
22. Drawn a Cheque on Bank for P.C.B.	10	10	6
23. Petty Cash Payments this month $\frac{3}{4}$ P.C.B.	14	17	6
24. Lent James Hannan, on Warrant Demerara Cotton, $\frac{3}{4}$ "Jane," @ $7\frac{1}{2}$ %	260	0	0
„ Drew a Cheque for the same (L. & W. Bank)			
25. Paid into London and Westminster Bank, to be placed to my credit, viz.—			
Cash	100	0	0
A Bill on Armstrong & Co. £175 0 0			
Ditto Charles Brown .. 294 0 0			
James Smith's Promissory Note	114	0	0
A Bill on Horne & Jones .. 135 0 0			
	718	0	0
26. Paid John Brown for new Desk	12	15	0
28. Paid Clerk 1 month's Salary	6	10	0
30. Sold Reid & Co. 5 Pockets Kentish Hops, each $3\frac{1}{2}$ cwt. net, @ £7 $\frac{3}{4}$ cwt.			
Required the gain or loss and net capital.			

QUESTIONS FOR EXAMINATION.

1. Upon what principle is Double Entry founded?
2. How many books are necessary in the most simple form of Double Entry? and state the purposes which each book is intended to answer.
3. What are the two first entries made in the Journal by a merchant on commencing business?
4. Into how many parts is the Ledger divided?
5. What Accounts form the first part of the Ledger, and what the second?
6. What object is the balancing the Accounts in the Ledger intended to accomplish?
7. When you have posted all the Accounts in the Ledger, what check have you that it is correct?
8. If a merchant becomes insolvent, in what Account would that result appear?

EXERCISE 6.

July 1, 1868. The following is an Inventory of my Assets and Liabilities, taken from the Balance Sheet of last month:—

<i>Assets.</i>		£	s.	d.
Cash in hand .. .. .	..	512	15	5½
Ditto at Banker's (London and Westminster) ..	..	2043	9	0
Kentish Hops, 2 Pockets, each 3½ cwt., @ £7	..			
¾ cwt. .. .. .	..	49	0	0
Lead, 42 Pigs, each 4½ cwt., @ £22 ¾ fother	..	213	4	7½
Block Tin, 8½ cwt., @ £6 ¾ cwt. .. ..	..	51	0	0
Bills Receivable amounting to as ¾ B.R. ..	..	137	16	11
James Hannan owes me, @ 7½ % .. ..	..	260	0	0
Barclay & Co. ditto .. ..	..	211	5	0
Reid & Co. ditto .. ..	..	113	15	0
<i>Liabilities.</i>				
Bills Payable amounting to as ¾ B.P. ..	..	1211	10	0
Edwards & Sons, due to them .. ..	..	146	13	4
July 4. Received from Anthony Selwood, of St. Ubes, Invoice of 36 Tons of Salt, @ £5 per ton, shipped ¾ the "Mermaid" .. ..	..		
5. Received from Richards & Manners, of New York, 60 Casks of Pot and 45 Casks of Pearl Ashes, agreeably to my order, amounting, as ¾ Invoice, to \$ 1713 9 cents, @ 4/6 ¾ \$ (dollar) .. ..	..		
6. Sold Horne & Jones 20 Tons Salt. @ £5 15s. ¾ ton .. ..	..		

July 7. Bought of Payne & Co. 5 Puncheons Malt Whiskey, 280 galls., @ 5/6 p gall., storage charged thereon 22/. (in Bond)	£	s.	d.
10. The "William and Mary" is arrived from Rotterdam, and has brought me 8 Casks Madder, from Spence & Co., p my order, as p Invoice	272	8	3
11. Sold Payne & Co. 30 Casks Pot Ashes, @ £4 10s. p cask			
12. Sold James Hannan 20 Casks Pearl Ashes, @ £5 5s. p cask			
13. Sold Edwards & Sons 10 Tons salt, @ £5 10s. p ton			
14. Horne & Jones have bought the Madder, p the "William and Mary" (they paying Dock dues and all other expenses), for ..	300	0	0
15. Received this day from Warre & Co., of Oporto, Invoice of 12 Quarter-casks of Red Port Wine, shipped on board the brig "Admiral Nelson," Thomas Striner, Master, for London, by my order, and for my account and risk*			

Brand Mark.	12 Qr. Casks Red Port Wine, @ £40 p pipe, } on board }	£ 120	0	0
WB				
	At Nine Months' Credit.† Oporto, 5th July, 1863.			
	E. E. WARRE & Co.			

July 16. Received from Horne & Jones, in payment of the Salt sold them on the 6th—
 Jas. Wood's Promissory Note
 at 31 days, due Aug. 4 .. £95 10 6
 Cash, for balance

* This is an Invoice of Wine sent, by your order, stating kind, quantity, and value. As soon as you receive advice that the goods are sent off to you they are yours.

The Journal entry will stand thus:—Red Port Wine *Dr.* to Warre & Co.
 When you send them your acceptance for nine months in payment, say—
 Warre & Co. *Dr.* to Bills Payable.

† Nine months' credit here means a Bill at nine months' date.

EXERCISES.

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July 18. The "Admiral Nelson" has arrived, and landed the Wine ordered from Warre & Co., of Oporto.	£	s.	d.
Paid freight and other charges	20	18	6
20. Sent Warre & Co., of Oporto, my Acceptance at 9 months for the Wine received by the "Admiral Nelson"			
21. Sold Edwards & Son 6 Tons Salt, @ £5 10s. per ton			
22. Sold Payne & Co. 30 Casks Pot Ashes, @ £4 15s. per cask			
23. Sold James Hannan 25 Casks Pearl Ashes, @ £5 15s. per cask			
24. Sold Barclay & Co. 2 Pockets Kentish Hops, each 3½ cwt., @ £7 per cwt.			
25. Sold James Smith 42 Pigs Lead, each 4½ cwt., @ £22 10s. per fother			
26. Sold for Cash 8½ cwt. Block Tin, @ £6 10s. per cwt.			
27. I have discounted Horne and Jones's Bill on me dated June 2, at 3 months, £300, @ 6 % Cash, by Cheque (on L. & W. Bank)	£298	0	6½
Interest for discount	1	19	5½
	300	0	0
30. Paid sundry expenses this month by P.C.B. ..	47	16	4
Required your net capital and your gains or losses.			

EXERCISE 7.

Aug. 1, 1868. The following is an inventory of my Assets and Liabilities:—

<i>Assets.</i>		£	s.	d.
Cash in hand		280	0	0
At Banker's (London and Westminster) ..		620	0	0
Bills Receivable—No. 10, due Oct. 1, on Thos. Jones	£350	0	0	
Sugar, 10 hhds., each 12 cwt., @ £2 15s. per cwt.	330	0	0	
Henry Hollington, due by him	250	0	0	
		930	0	0
<i>Liabilities.</i>				
Bills Payable—No 12, due Sept. 28, drawn by Thomas Cox	£400	0	0	
Thomas Hutchinson, due to him	204	10	0	
Charles Cummings, ditto	25	10	0	
		630	0	0
		F 2		

Transactions.

	£	s.	d.
Aug. 2. Bought for Cash, \pounds Cheque, 60 ps. Linen, each 25 yds. @ $3\frac{1}{4}$ \pounds yd.			
3. Sold for Cash 4 hhds. Sugar, each 12 cwt., @ £3 3s. \pounds cwt.			
4. Bought of Henry Hollington 12 ps. Cloth, each 25 yds., @ $13\frac{1}{4}$ \pounds yd.			
6. Sold Thomas Hutchinson 25 ps. Linen, each 25 yds., @ 4/. \pounds yd.			
7.* Sold William Robertson 9 ps. Cloth, each 25 yds., @ 16/. \pounds yd., and received of him as follows—			
His Acceptance at 2 months	£90	0	0
Cash for the balance			
		180	0 0
8. Bought of Charles Jameson 80 ps. Calico, each 23 yds., @ $1\frac{1}{3}$ \pounds yd.			
Paid him as follows—			
My Promissory Note at 30 days	£70	0	0
Cash for the balance (\pounds Cheque)	45	0	0
		115	0 0
9.† Sold Thomas Jellico the following goods—			
10 ps. Linen @ £5 \pounds p.	£		
1 hhd. Sugar	37	16	0
3 ps. Cloth, 75 yds., @ $15\frac{1}{6}$ \pounds yd.			
Received in part as follows—			
Cash	£63	0	0
Bills Receivable, No. 12, due Oct. 3, on Kingdon & Co.	50	0	0
		113	0 0
10. Advanced (\pounds Cheque) to Thomas Hutchinson, on Account		104	10 0
12. Paid into the London and Westminster Bank, to be placed to my credit, viz.—			
Cash	£300	0	0
2 Bills, Nos. 11 & 12	140	0	0
		440	0 0

* In this transaction you have received a part by Bill and the rest in Cash, and delivered the Cloth; therefore *Debit* the Bill and Cash, and *Credit* the Cloth.

† This transaction requires two Journal entries:—

1st. *Debit* Thomas Jellico for the Goods.

2nd. *Debit* the Cash and Bill to Thomas Jellico.

Aug. 13. Received for the use of Henry Hollington, £2500, which I have remitted to him, deducting $\frac{1}{2}$ % commission*	£	s.	d.
14. Bought of William Billington the following Goods, at 2 months' Credit, viz.†—			
2 Puncheons Rum, @ £50			
each	£		
12 hhds. British Spirits, @			
£45 $\frac{1}{2}$ hhd.			
1 Pipe Port Wine	75	0	0
Shipped the above Goods on board the "Prince," George Hind, Master, for New York, for the account and risk of George Mullings, Merchant there, as $\frac{1}{2}$ Invoice rendered—			
Merchandise	£		
Charges of Shipping, Insurance, &c.	23	10	0
Commission at $2\frac{1}{2}$ %			
		756	19 3
15. Received a Legacy of	100	0	0
16. Paid William Billington for Goods bought of him on the 14th, he allowing me 5 % discount for 2 months, viz.†—			
Cash	£		
Discount allowed			
17. Sold for Cash 30 ps. Calico, each 23 yds., @			
1/6 $\frac{1}{2}$ yd.			
20. Sold Charles Jameson 3 hhds. Sugar, wt. 36 cwt., @ £3 8s. 4d. $\frac{1}{2}$ cwt.			
22. Lost a Bank Note of	20	0	0
23. Received per the "Royal Oak," from Amsterdam, 4 Pipes Olive Oil, to sell for the account of George Mullins.§			

* This is a Commission Account where you receive money for the use of another, and for which you charge a commission which is a clear gain; therefore *Debit* the Cash received thus—

Cash *Dr.* to Commission; or, (To Profit and Loss for Commission).

† This transaction requires two entries:—

1st. *Debit* the goods received, *Credit* W. Billington for goods.

2nd. *Debit* George Mullings for the goods, charges, and commission.

‡ In this case *Debit* W. Billington to Cash and to Profit and Loss (for discount).

§ This is an Account Sales (see page 85), Journalized thus—

1st. Olive Oil, $\frac{1}{2}$ Royal Oak, *Dr.* to charges, commission, and net proceeds.

2nd. Thomas Hutchinson and Cash *Dr.* to Olive Oil, $\frac{1}{2}$ Royal Oak.

	Sold Thomas Hutchinson 2			£	s.	d.
	Pipes of the above, at 2					
	months' Credit	£68	0	0		
	Sold the other 2 Pipes for					
	Cash	64	10	0		
					132	10 0
	Commission on ditto, @ 2½ %	£				
	Paid Charges at landing, &c.	22	10	0		
	Due to George Mullins, for net proceeds of					
	the above Oil, as per Account Sales rendered					
Aug. 24.	Sold Charles Cummings 30 ps. Calico, each					
	23 yds., @ 1/5 per yd.					
25.	Sold Charles Cummings 1 hhd. Sugar, wt. 12					
	cwt., @ £3 8s. 4d.					
27.	Sold for Cash 20 ps. Calico, each 23 yds., @					
	1/4 per yd.					
28.	Sold Charles Jameson 20 ps. Linen, 500 yds.,					
	@ 4/. per yd.					
29.	Discounted Thomas Jones's Bill	£350	0	0		
	Discount allowed by me	1	9	2		
					348	10 10
30.	Received by this day's Post, from Amsterdam,					
	a Bill on Raymond & Co. for the account of					
	George Mullins, due Oct. 4				965	10 0
31.	I have taken up my Bill in favour of T. Cox,					
	due Sept. 28					
	Cash paid him	£398	3	4		
	Discount allowed by him	1	16	8		
					400	0 0
	Paid sundry expenses this month, per P.C.B. ..				72	10 8
Sept. 1.	Discounted at the Bank George					
	Mullins' Bill, due Oct. 4	£965	10	0		
	Discount for 34 days, @ 5 %	4	10	0		
					961	0 0
3.	Bought of David Fuller, of Manchester, the					
	following goods—					
	56 ps. Dimities, each 56 yds., @ 1/8					
	per yd.					
	35 ps. Muslinets, each 55 yds., @ 1/6					
	per yd.					
	28 ps. Quiltings, each 35 yds., @ 3/6					
	per yd.					
5.	Received from Manchester, Goods to sell for					
	the account of David Fuller, amounting, as					
	per B.P. to £500, for which I charge, him					
	2½ % commission.*					

* This Account requires two entries:—1st. Merchandise Dr. to David Fuller
2nd. David Fuller Dr. to Commission.

Sept. 6. Bought of Charles Jameson 10 Bags of Cotton, amounting, as \pounds Broker's Bill, to	£	s.	d.
	354	10	0
7. Sent by Rail to Manchester the above Cotton, to David Fuller, for his account, as follows—			
10 Bags Cotton, amounting to	£354	10	0
Charges on ditto	4	10	0
Commission @ $2\frac{1}{4}\%$			
9. I have given Charles Jameson my Acceptance at 3 months, in favour of Charles Goodwin, for the balance of his Account			
11. Shipped on board the "Sally," Peter Gray, Master, for Amsterdam, sundry Goods received on the 5th, from David Fuller, and consigned to George Mullins, for his account and risk—			
Merchandise, as \pounds B.P. ..	£500	0	0
Charges on ditto	3	10	0
Commission @ $2\frac{1}{4}\%$			
12. Sold Thomas Jellico the following Goods—			
20 ps. Dimities, each 56 yds., @ $2\frac{1}{2}\%$ yd.			
12 " Muslinets " 55 " " $1\frac{1}{10}$ "			
12 " Quiltings " 35 " " $4\frac{1}{2}$ "			
15. Bought for Cash (\pounds Cheque) 2 Pipes Port Wine, @ £70 \pounds pipe	£140	0	0
Paid Cartage, &c.	2	14	0
	142	14	0
16. Sold for Cash the following Goods—			
36 ps. Dimities, each 56 yds., @ $2\frac{1}{2}\%$ yd.			
23 " Muslinets " 55 " " $1\frac{1}{10}$ "			
16 " Quiltings " 35 " " $4\frac{1}{2}$ "			
17. Bought of Henry Smithson 3 Trusses of Scarlet Cloth as follows—			
No. 1. 6 ps. Superfine, each 40 yds., @ $24\frac{1}{2}\%$ yd.			
No. 2. 6 ps. Seconds, each 40 yds, @ $15\frac{1}{2}\%$ yd.			
No. 3. 6 ps. Cloakings, each 40 yds., @ $9\frac{1}{6}\%$ yd.			
18. Bought for Cash (\pounds Cheque) 3 Bags Cochineal, each 150lbs., @ $24\frac{1}{2}\%$ lb., for Henry Smithson, which I have sent to him, charging him $2\frac{1}{4}\%$ Commission *			
19. Paid into the London and Westminster Bank, to be placed to my Credit	500	0	0

* In this Account, *Debit* Henry Smithson, for the cash and commission.

Sept. 21. Sold for Cash the following Scarlet Cloth—	£	s.	d.
3 ps. Superfine, each 40 yds., @ 28/. \varnothing yd.			
3 „ Seconds „ 40 „ „ 17/6 „			
3 „ Cloakings „ 40 „ „ 11/6 „			
22. Thomas Hutchinson being declared Insolvent, and his creditors having agreed to take 15/. in the pound, I have received my Dividend, on his Debt of £93, amounting to*			
24. Charles Cummings has given me his Acceptance, at 30 days, for the balance of his Account			
26. Sold Samuel Snell 2 Pipes Port Wine @ £75 \varnothing Pipe, and he has paid as follows—			
A Bill on Williams & Co.,			
due Nov. 1	£105	10	0
Cash for the balance ..			
28. Accepted 2 Bills, of £200 each, drawn by David Fuller, one at 2 months and the other at 3 months			
30. Paid Clerk's Salary, \varnothing Cheque (one month) ..	10	0	0
„ Paid sundry expenses, as \varnothing P.C.B. ..	48	12	6
Required the gains or losses and net capital.			

EXERCISE 8.

Make a Journal and Ledger from the following transactions, viz :—

- Sept. 1, 1868. Cash in hand at this date, £2,000.
 „ Bought of Rushbell & Co. 40 bags Cotton (mark R. & Co.)=13,728 lbs., @ $4\frac{1}{4}$ d \varnothing lb.
 2. Bought 10 bags Cotton (S. & Co.) 7,368 lbs., @ 6d. \varnothing lb, for Cash.
 3. Sold Peake & Co. 5 bags Cotton (mark S. & Co.)=3,684 lbs., @ $6\frac{1}{4}$ d. \varnothing lb.
 4. Sold for Cash 20 bags Cotton (mark R. & Co.)=6,500 lbs., @ $5\frac{1}{2}$ \varnothing lb.
 5. Sold Thomas Parker 12 bags Cotton (mark R. & Co.)=4,621 lbs., @ $5\frac{3}{4}$ \varnothing lb.
 7. Received from Peake & Co. on account, £130.
 8. Sold the remainder of Cotton (mark R. & Co.) to Thomas Parker, 8 bags=2,607 lbs., @ $5\frac{1}{2}$ \varnothing lb.

* This is a case of bankruptcy, in which you receive 15s. in the £, and sustain a loss of 5s. in the £.

Debit Cash, and Profit and Loss. Credit Thomas Hutchinson.

9. Bought 8 boxes Pearl-leaf Gunpowder Tea, =72 lbs. (mark T. P.), @ $3/6$ p lb., of Thomas Parker.
10. Given Rushbell & Co. my Acceptance at 2 months, No. 1, £160, in part payment of their account.
11. Received of Thomas Parker a Bill on Wilson & Son, at 6 weeks, No. 1, £121 17s. $1\frac{1}{2}d$., in part payment of his account.
14. Bought of Peake & Co, 20 firkins of Irish Butter (mark P. & Co.) wt. net, 13 cwt. 2 qrs. 18 lbs., @ $94/$. p cwt.
15. Bought of Rushbell & Co. 10 bags Surat Cotton (mark R. & Co.) =2,575 lbs., @ $4\frac{1}{2}d$. p lb.
 „ Paid Peake & Co., on account, £10.
16. Paid Rushbell & Co., on account £50.
17. Received of Thomas Parker £36, for the balance of his a/c.
18. Sold for Cash 4 boxes Pearl-leaf Gunpowder Tea (mark T. P.), 36 lbs., @ $3/9$.
 „ Sold Thomas Parker 5 bags Cotton (mark S. & Co.) =3,684 lbs., @ $7\frac{1}{2}d$. p lb.
19. Bought of Robert Willis 19 Chests Hyson Tea (mark R. W.), each 1 cwt. 3 qrs. 18 lbs. net, @ $2/3$ p lb.
20. Thomas Parker has given me a Bill, @ 2 months, on James Woodroffe, No. 2, £73 10s. $6d$. in part payment of his account.
22. Paid Robert Willis on account, £156.
23. Received from Thomas Parker, on account, £20.
24. Bought 2 lots of Surat Cotton of Rushbell & Co.
 (mark R. & Co. lot 217) 6 bales =2,102 lbs., @ $2\frac{1}{2}d$. p lb.
 (ditto „ 218) 6 „ =2,081 „ @ $2\frac{1}{2}d$. „
25. I have given Rushbell & Co. Thomas Parker's Bill on James Woodroffe.
25. Paid Petty expenses this month p P.C.B, £10 6s. $8d$.
27. Sold Chas. Goude 10 Chests Hyson Tea (mark R. W.), each 1 cwt. 3 qrs. 18 lbs. net, @ $2/6$ p lb., and received in payment a Bill at 6 weeks on John Hughes for £200, and the remainder in Cash.
27. Sold Lot 217 (mark R. & Co.), Surat Cotton, 6 bales =2,102 lbs., @ $3d$. p lb., for Cash.
29. Sold 5 Chests Hyson Tea (mark R. W.), each 1 cwt. 3 qrs. 18 lbs. net, @ $2/7$ p lb., and received Thomas Johnson's Acceptance at 2 months for the same.
30. I have given Rushbell & Co. my Acceptance at 2 months for £138 4s. $2d$.

QUESTIONS FOR EXAMINATION.

1. What is the object of the Ledger ?
2. What is Posting ?
3. What is Journalizing ?
4. On what principle is the Ledger constructed ?
5. Show how you would enter the following items on first opening the Ledger :—

Cash in hand	£1000	0	0
Merchandise amounting to ..	2000	0	0
Bills Receivable, ditto ..	460	0	0
John James owes me	130	0	0

6. What will the Ledger show when properly adjusted ?
7. What is a Ledger Folio ?
8. What is a Ledger Account ?
9. What is a Ledger Balance ?
10. What is the Balance of an Account ?
11. What is Book-keeping by Double Entry ?
12. What Books should be used in Book-keeping by Double Entry ?
13. At the end of the year a merchant balances his Ledger : describe the process.
14. Give the rule for Journalizing.
15. Show how you adjust the Merchandise Account.
16. How many sorts of Account are there ?
17. What are the Real Accounts ?
18. What are the Personal Accounts ?
19. What are the "Nominal" or "Merchant's Own" Accounts ?
20. In what case do you consider Double Entry preferable to Single Entry ?
21. What entries are made respectively on the *Dr.* and *Cr.* side of the Profit and Loss Account ?
22. On which side of the Profit and Loss Account should the balance appear, so as to show a gain to the trader, and to what other Account must that balance be carried ?
23. What is a Trial Balance ?
24. What is Book-keeping by Single Entry ?
25. Explain the advantages of Book-keeping by Double Entry.

PART III.

ON SUBSIDIARY BOOKS.

When it is considered that in practice the number of transactions, occurring daily are very numerous, and sometimes very complicated, it will be obvious that Journalizing and Posting may be very much facilitated by keeping separate books, each containing particulars of transactions of the same kind, instead of having them jumbled together without order or classification in one book, called the Waste-Book. Such books are called Subsidiary Books, on account of their being subsidiary to the Ledger.

The number and kind of Subsidiary Books must necessarily vary according to the nature of the business; but as the books of a general merchant are usually treated of for the sake of brevity, we will explain the principal Subsidiary Books used by such merchant:

1. THE CASH BOOK, containing the receipts and payments of money. This book has sometimes a subsidiary book, called the PETTY CASH BOOK, in which are entered small payments, such as Postage, Portage, &c.

2. THE BILL BOOK, in one part of which are entered the particulars of all the *Bills Receivable*, and in the other part those of all the *Bills Payable*. When the transactions in bills are very numerous, two books are used instead of one, called the BILLS RECEIVABLE BOOK and the BILLS PAYABLE BOOK.

3. THE INVOICE BOOK, which contains the particulars of all goods bought. This book is also called the INVOICE BOOK INWARDS or BOUGHT BOOK.

4. THE INVOICE BOOK OUTWARDS, in which are recorded the particulars of all sales. This book is sometimes subdivided for the purposes of separating Inland from Foreign Sales. The book used for the latter is called the FOREIGN INVOICE BOOK, or BOOK OF SHIPMENTS.

5. THE CASH SALES BOOK, containing the particulars of all goods sold for *Cash*. This book is only introduced when the merchant wishes to divide his sales on credit from the sales for cash. The Invoice Book Outwards then contains the particulars of sales *on credit* only.

6. THE ACCOUNT SALES BOOK, containing the particulars of sale and net proceeds of all goods consigned to the merchant.

7. THE ACCOUNT CURRENT BOOK, which contains copies of the accounts sent to correspondents.

8. THE WAREHOUSE or STOCK BOOK, containing an inventory of the quantity and value of the goods on hand at the time of balancing the books.

THE CASH-BOOK.

<i>Dr.</i>				<i>Cash</i>				<i>Cr.</i>			
1868.		£	s.	d.	1868.		£	s.	d.		
Feb. 1	To Balance from Jan.	482	0	0	Feb. 2	By John Jones	176	8	0		
14	" Merchandise Sales	42	1	8	12	" Richd. Hamilton	30	14	6		
16	" Bills Receivable	36	14	6		on Account	47	18	6		
	No. 1				17	" John Jones	57	14	6		
20	" J. Cummins . . .	100	15	4	20	" Bills Payable	24	17	4		
25	" Bills Receivable	35	18	6		No. 1	64	10	6		
	No. 2				25	" Richd. Hamilton					
27	" Merchandise Sales	40	3	6	28	" Bills Payable					
						No. 2					
						By Balance in hand	335	10	2		
		£ 737	13	6			£ 737	13	6		

To JOURNALIZE THE CASH-BOOK MONTHLY.

Cash *Dr.* to Sundries (for all receipts this month).

Sundries *Dr.* to Cash (for all payments this month).

Specifying particulars, sorting out and classifying items of the same kind together, so as to require but one posting for the month, thus:—

FEBRUARY, 1868.						<i>Dr.</i>			<i>Cr.</i>		
						£	s.	d.	£	s.	d.
	Cash (received this month, Ψ C. B.)	<i>Dr.</i>	255	13	6						
14	To Merchandise	£42	1	8							
27	Ditto	40	3	6					82	5	2
16	To Bills Receivable, No. 1	36	14	6							
25	Ditto No. 2	35	18	6					72	13	0
20	To James Cummins								100	15	4
2	John Jones	<i>Dr.</i>	£176	8	0						
17	Ditto	"	47	18	6						
						224	6	6			
12	Richard Hamilton	<i>Dr.</i>	30	14	6						
25	Ditto	"	24	17	4						
						55	11	10			
20	Bills Payable, No. 1	<i>Dr.</i>	57	14	6						
28	Ditto No. 2	"	64	10	6						
						122	5	0			
	To Cash (for all payments this month, Ψ C. B.)								402	3	4
						£ 657	16	10	£ 657	16	10

THE BILL-BOOK.

The Bill-Book is an Index or Register of Bills of Exchange, whether Receivable or Payable.

Bills Receivable are those which the merchant or trader receives for some debt owing to him (*see* p. 14).

Bills Payable are such as are drawn upon the merchant or trader, and which he must pay when due (*see* p. 15).

In one part of this book it is customary to enter all Bills received, called Bills Receivable, and in the other part all Bills issued or accepted, called Bills Payable.

This book is ruled with columns for the details, setting forth numbers, names, date, term, when received, on whose account, on whom drawn, or to whom granted, when due, the amount, and how disposed of; and sometimes the last endorser.

This book will be better understood by observing how the following Bills are entered.

In the following Bills the pupil should consider himself the Drawer or Acceptor, as the case may occur.

BILLS RECEIVABLE.

No. 1.

£500 0 0

London, January 1, 1868.

Three months after date, pay to me, or my order,
the sum of Five hundred pounds, value received.

To MR. WILLIAM JONES,
144, Cheapside, LONDON.

A — B —

(Pupil's name, or drawer).

No. 2.

£487 10 0

London, January 10, 1868.

Two months after date, pay to me, or my order,
the sum of Four hundred and thirty-seven pounds, ten shillings,
for value received.

To MR. JOHN SYMS,
37, Newgate Street, LONDON.

A — B —

No. 3.

£127 17 6

London, January 17, 1868.

Three months after date, pay to me, or my order,
the sum of One hundred and twenty-seven pounds, seventeen
shillings and sixpence, value received.

To MR. WILLIAM JONES,
144, Cheapside, LONDON.

A — B —

FORM OF BILLS RECEIVABLE BOOK.

No.	When Received.	From whom Received.	By whom Drawn, and Place.		On whom Drawn, and where.	
1	1868. Jan. 1	Wm. Jones, London	A — B —	London	Wm. Jones	London
2	„ 10	John Syms, „	„	„	John Syms	„
3	„ 17	W. Jones, „	„	„	Wm. Jones	„
4	„ 24	J. Syms, „	J. Syms	„	A. Cummins	„

FORM OF

No. 1.

£74 16 4

London, January 2, 1868.

Two months after date, pay to me, or my order,
the sum of Seventy-four pounds, sixteen shillings and four-
pence, for value received.

To Mr. A — B —
47, Regent Street, LONDON.

THOMAS SIMMONDS.

FORM OF BILLS PAYABLE BOOK.

No.	By whom Drawn and Place.		Date.	To whom Payable.
1	Thomas Simmonds .	London .	January 2	His order
2	Wm. Williams . .	„ .	„ 14	George Gould. . .

No. 4.

£50 0 0

Two months after date, pay to me, or my order,
the sum of Fifty pounds, value received.

To MR. ANDREW CUMMINS

87, Cheapside, LONDON.

Accepted at the
Payable at the
Commercial Bank.
Andrew Cummins.

London, January 24, 1868.

JOHN SYMS.

(Indorsed across the back, "JOHN SYMS.")

JANUARY, 1868.

Date.	To whom Payable.	Time.	Due.	Sum.			When and how Disposed of.
Jan. 1	My order . .	3 months	April 4	£	s.	d.	
" 10	" . .	2 "	March 13	500	0	0	
" 17	" . .	3 "	April 20	437	10	0	
" 24	His order . .	2 "	March 27	127	17	6	
				50	0	0	

BILLS PAYABLE.

No. 2.

£250 0 0

Three months after date, pay to George Gould, of
187, Cheapside, or order, the sum of Two hundred and fifty
pounds, value received.

To MR. A—— B——

47, Regent Street, LONDON.

Accepted at the
Payable at the
Commercial Bank.
William Williams.

London, January 14, 1868.

WILLIAM WILLIAMS.

JANUARY, 1868.

Time.	Accepted.	Due.	Sum.			To whom Paid, and when.	
2 months .	January 2	March 5 .	£	s.	d.		
3 " .	" 14	April 17 .	74	16	4		
			250	0	0		

To JOURNALIZE THE BILL-BOOK.

Bills Receivable *Dr.* to Sundries (for all Bills received this month, *ψ* B.R.).

Sundries *Dr.* to Bills Payable (for all Bills issued or accepted this month, *ψ* B.P.).

Sorting out and classifying all Bills belonging to the same party together, thus—

JANUARY, 1868.				Dr.			Cr.		
				£	s.	d.	£	s.	d.
	Bills Receivable (received this month, <i>ψ</i> B.R.) <i>Dr.</i>			1115	7	6			
1	To William Jones	No. 1 . .	500 0 0						
17	" " "	" 3 . .	127 17 6				627	17	6
10	" John Syms	" 2 . .	437 10 0						
24	" Ditto	" 4 . .	50 0 0				487	10	0
2	Thomas Simmonds	No. 1	<i>Dr.</i>	74	16	4			
14	William Williams	" 2		250	0	0			
	To Bills Payable (issued this month, <i>ψ</i> B.P.).						324	16	4
				£ 1440	3	10	1440	3	10

INVOICE-BOOKS.

The Invoice-Book Inwards contains the copies of Invoices received for goods bought. The trouble of copying is often dispensed with by pasting the originals into a blank book, with its pages numbered, and an Index, so that any Invoice may be easily referred to.

The form of the Invoice received is the same as the Invoice or Bills of Parcels sent out (*see* p. 24).

FORM OF INVOICE-BOOK INWARDS.

Mr. A — B —		17, Newgate Street, Sept. 17th, 1868.				
(Pupil's Name.)		Bought of HENRY SIMPSON,				
		3 trusses Scarlet Cloth, viz.,				
No. 1.	6 pieces Superfine, each 40 yds. @ 24/. <i>ψ</i> yd.			288	0	0
No. 2.	6 " Seconds, " 40 " @ 15/. "			180	0	0
No. 3.	6 " Cloakings, " 40 " @ 9/6 "			114	0	0
				£ 582	0	0

FORM OF INVOICE-BOOK INWARDS—(continued).

Mr. A— B—		144, Cheapside, Sept. 22nd, 1868.			
		Bought of WILLIAM BILLINGTON, Wine Merchant, &c.			
			£	s.	d.
2	puncheons Rum, 164 galls. @ 15/6	per gall.	127	2	0
10	hds. British Spirits, 540 galls. @ 9/6	per gall.	256	10	0
1	pipe Port Wine (brand A)		70	0	0
			£ 453	12	0
Mr. A— B—		17, Newgate Street, Sept. 25th, 1868.			
		Bought of HENRY SIMPSON,			
36	pieces Dimities, each 56 yds. @ 1/8	per yd.	168	0	0
35	" Muslinets, " 55 " @ 1/6	"	144	7	6
28	" Quiltings, " 35 " @ 3/6	"	171	10	0
			£ 483	17	6

To Journalize the purchase of merchandise monthly, say—
Merchandise *Dr.* to Sundries (for all purchases this month,
per I.B.).

Classifying the different items as before, thus—

SEPTEMBER, 1868.		<i>Dr.</i>			<i>Cr.</i>		
		£	s.	d.	£	s.	d.
	Merchandise (bought this month, per I. B.) <i>Dr.</i>	1519	9	6			
17	To Henry Simpson £582 0 0						
25	Ditto 483 17 6						
22	To William Billington				1065	17	6
					453	12	0
		£ 1519	9	6	1519	9	6

INVOICE-BOOK OUTWARDS.

Mr. GEORGE THOMPSON		Sept. 5th, 1868.			
		Bought of A— B— (Pupil's Name.)			
			£	s.	d.
15	pieces Black Cloth, 300 yds. @ 20/.		300	0	0

INVOICE-BOOK OUTWARDS—(continued).

		Sept. 10th, 1868.			
MR. THOMAS HAMILTON		Bought of A— B—			
10 pieces Cassimere, 250 yds. @ 10/.			£	s.	d.
			125	0	0
		Sept. 21st, 1868.			
MR. GEORGE THOMPSON		Bought of A— B—			
5 pieces Toiline, 100 yds. @ 5/.			25	0	0
		Sept. 25th, 1868.			
MR. THOMAS HAMILTON		Bought of A— B—			
10 pieces Broadcloth, 250 yds. @ 20/.			250	0	0

To JOURNALIZE THE SALES OF MERCHANDISE MONTHLY.

Sundries *Dr.* to Merchandise (for all sales this month).

Classifying the different items as before, thus—

SEPTEMBER, 1868.			Dr.		Cr.			
			£	s.	£	s.	d.	
5	George Thompson	Dr. £300 0 0						
21	Ditto	„ 25 0 0	325	0	0			
10	Thomas Hamilton	Dr. 125 0 0						
25	Ditto	„ 250 0 0	375	0	0			
To Merchandise (for all Sales this month). .					700	0	0	
			£ 700	0	0	700	0	0

FOREIGN INVOICES.

A Foreign Invoice is a specification of Goods shipped by one merchant to another residing abroad. The Goods are sent either on account and risk of the shipper; or by order and for account and risk of the person to whom they are sent; and sometimes by order and for account and risk of a third party.

EXAMPLE I.

Form of FOREIGN INVOICE where the Goods are sent on Account of Shipper.

London, September 22, 1868.

INVOICE of Pig Iron shipped by the undersigned on board the *WAVE QUEEN*, Capt. Butler, for New Zealand, consigned to Messrs. Waghorn & Co. for sale and returns.

Mark No. 3 Gartsherrie.	100 tons Pig Iron @ 86/. per ton net	£	s.	d.
		430	0	0
	<i>Charges.</i>			
	Freight paid in London, viz. :—	£	s.	d.
	100 tons @ 20/. per ton & 5 % Primage . .	105	0	0
	Insurance £600 @ 25/. % F. P. A. & Stamp . .	7	11	6
	Lighterage	3	15	0
	Bill of Lading and Sundry expenses . .	1	1	0
		£	117	7 6
		£	547	7 6
	E. & O. E.			
	A— B—.			

Journalized as follows :—

Folio.	SEPTEMBER, 1868.			Dr.			Cr.		
				£	s.	d.	£	s.	d.
22	Consignments (Waghorn & Co.)	Dr.		547	7	6			
	To Pig Iron 100 tons per "Wave Queen"						430	0	0
	To Freight do do						105	0	0
	To Insurance do do						7	11	6
	To Charges do do						4	16	0
			£	547	7	6	547	7	6

EXAMPLE II.

Form of FOREIGN INVOICE where the Goods are shipped by order and for account of the party to whom they are sent.

London, September 22, 1868.

INVOICE of Pig Iron shipped by the undersigned on board the WAVE QUEEN, Capt. Butler, for New Zealand, by order and for account and risk of Messrs. Waghorn & Co.

Mark No. 3 Gartsherrie.	100 tons Pig Iron @ 86/. $\frac{1}{2}$ ton net	£	s.	d.
		430	0	0
	<i>Charges.</i>			
	Freight paid in London	£	s.	d.
	100 tons @ 20/. and 5 % Primage .	105	0	0
	Insurance £600 @ 25/. % F. P. A. & Stamp	7	11	6
	Lighterage.	3	15	0
	Bill of Lading and Sundry expenses . .	1	1	0
		117	7	6
	Commission $2\frac{1}{2}$ %	547	7	6
		13	13	8
		£	561	1 2
	E. & O. E.			
	A— B—.			

Journalized as follows :—

Folio.	SEPTEMBER, 1868.			Dr.			Cr.		
				£	s.	d.	£	s.	d.
22	Waghorn & Co.	Dr.		561	1	2			
	To Pig Iron $\frac{1}{2}$ "Wave Queen".						430	0	0
	To Freight do						105	0	0
	To Insurance do						7	11	6
	To Charges do						4	16	0
	To Commission						13	13	8
			£	561	1	2	561	1	2

EXAMPLE III.

Form of *Foreign Invoice* of Goods shipped by order and for account and risk of a third party would be similar to Form No. 1, with the following heading :—

INVOICE of Pig Iron shipped by the undersigned on board the WAVE QUEEN, Capt. Butler, for New Zealand, consigned to Messrs.

Waghorn & Co. by order and for account and risk of Messrs. Peters & Co.

Such Invoice would be Journalized as follows:—

Folio.	SEPTEMBER, 1868.		Dr.			Cr.		
			£	s.	d.	£	s.	d.
22	Peters & Co.	Dr.	547	7	6			
	To Pig Iron & "Wave Queen"					430	0	0
	To Freight					105	0	0
	To Insurance					7	11	6
	To Charges					4	16	0
			£ 547	7	6	547	7	6

If you charge Peters & Co. with commission, it would either be entered in the Invoice or charged to them as a separate item. If in the Invoice it would be Journalized as in Form 2, or if charged separately it could either be Journalized in the same way, or a new entry made in the Journal for it, namely:—

Peters & Co. Dr. to Commission £13 13s. 8d.

Commission is sometimes charged on the net proceeds according to arrangement.

The foregoing are examples of three of the more common forms of Foreign Invoices. The interests concerned in the foreign trade of the country are so numerous and often so complicated, that it is impossible to give examples of all the forms of Invoices used.

The book into which such Invoices are copied is called the **FOREIGN INVOICE BOOK**.

ACCOUNT SALES.

An Account Sales is an account showing the particulars of, and money realized by, the sale of Goods sent by one merchant to another. The residue, after deduction of Charges, Commission, &c., is called the *Net Proceeds*. As a certain time is generally allowed to the buyer for the payment of the purchase money, it is customary to affix to the Net Proceeds the date when such payment becomes due, or when the consignee will receive the amount realized. This date is called the *Due date* or *prompt* of the Account Sales. Where there are several prompts on one Account the final due date is calculated by taking their average.

Form of Account Sales.

Referring to the Invoice No. 1 (page 83), the Account Sales Messrs. Waghorn & Co. would render to Mr. A—— B—— would be as follows :—

New Zealand, January 21, 1869.

Account Sales of Pig Iron ex WAVE QUEEN from London, sold by the undersigned by order and for account of Mr. A—— B——.

No. 3. Gartsherrie.	Sold at Public Sale, 13th Dec., 1868.			£	s.	d.
	100 tons Pig Iron @ 150/. ψ ton net	750	0	0		
	Charges.					
	Freight paid in London	£	s.	d.		
	Insurance effected by Shippers	0	6	0		
	Policy Stamp	20	15	0		
	Lighterage, Wharfage, &c.	18	15	0	39	16 0
	Commission @ 2½ %					
	Net proceeds due 14th inst.	£	710	4	0	
	E. & O. E. Waghorn & Co.					

The above is Journalized as follows :—

MARCH, 1869.*						
31	Waghorn & Co. Dr.	£	710	s.	4	d.
	To Consignments (net proceeds 100 tons Iron ψ " Wave Queen ")				710	4 0

* Date the Account Sales was received in England.

The book into which these Accounts are entered is called the Account Sales Book.

THE ACCOUNT-CURRENT BOOK.

The Account Current-Book contains copies of the Personal Accounts in the Ledger, with the addition of Interest on each item com-

puted from the date of the transaction to the date of rendering or making up the Account. The general way is to place the Interest in a separate column against each item, leaving a margin for the number of days, as in the first Example on the next page. The method of making out a separate account for the Interest, as in the second Example, is sometimes, but seldom, employed. In making out Accounts Current it must be borne in mind that Interest on Drafts, Acceptances, or Account Sales is calculated from the due date of such Draft, &c., and not from the day mentioned in the date-margin, which only indicates the time the Draft, Acceptance, or Account Sales was received, accepted, or rendered, as the case may be.

This is illustrated in the Examples given on the next page. The second item on the *Cr.* side is February 17, By Bill of Exchange, Howe on Tooke, due March 13, £280. Here the Interest is calculated from the 13th March, the due date of the Bill, and not from 17th February, the date it was received. The next item, 26th February, is an Account Sales due 26th April, from which date the Interest is computed.

It sometimes happens that a Draft, Acceptance, or Account Sales is not due until after the date of making up the Account Current. In such case the Interest is calculated from the day of making up the Account to the due date of the Draft, &c., and is generally written in red ink in the Interest Column.

To close an Account Current, first find the balance of the last-mentioned red entries, if any, and enter it in black ink in the Interest Column containing the least amount of red entries. Next proceed to find the difference between the two Interest Columns including the last entry, but omitting the amounts in red ink, and place it on the *lesser* side to make a balance, and then carry it at once to the Principal Column on the opposite side. Now add up the Principal Columns (including the balance of Interest just entered), and the difference between the two sides will then represent the balance of the Account, and will show exactly what you owe your correspondent or what your correspondent owes you, inclusive of all interests and charges up to the date of the Account.

Accounts Current are generally made up and rendered every half-year. If the balance be not duly paid it is carried forward to the *Principal* Column in the next Account Current and interest charged thereon in the usual way.

The rate of interest is arranged by the merchant and his correspondent at the time of commencing business together.

ACCOUNT

Dr.		Mr. JAMES PRIME, of Jamaica, in Account-Current with									
		Principal.			Days.	Interest.					
		£	s.	d.		£	s.	d.			
1868.											
Jan. 31.	To Amount of Invoice of "Hope"	652	6	8	144	12	17	4			
Feb. 1.	To Insurance of "Faithful," £3,500, @ £6 6s. %, to return 1½ % for convoy and arrives	220	10	0	143	4	6	4			
June 24.	To Postage, &c.		15	6							
"	To Balance of Interest carried to Cr. side						2	13	0		
"	To Balance in your favour carried to new a/c	732	10	7		£	19	16	8		
		£1606	2	9							
London, June 24, 1867.											
E.E.											
A.B.											

ANOTHER

Dr. Mr. JAMES PRIME, of Jamaica, his

		£	s.	d.
1868.		652	6	8
Jan. 31.	To Amount of Invoice of Goods of "The Hope"			
Feb. 1.	To Premium on £3,500, insured by "Faithful," Sullivan, Jamaica to London, @ £6 6s. 7 cent., to return 1½ % for Convoy and arrives	220	10	0
June 24.	To Postage, &c.			15
	To Balance in your favour carried to new Account	732	10	7
		£ 1606	2	9
London, June 24, 1867.				
E.E.				
A.B.				

*Dr.**Interest*

		£			s.			d.		
1868.										
Jan. 31.	£652 6 8 from this day to June 24, 144 days @ 5 % p ann.				12	17	4			
Feb. 1.	220 10 0 " do. 143 " do.				4	6	4			
June 24.	Balance carried to Account-Current				2	13	0			
		£			19	16	8			

CURRENT.

A. B., London, with Interest to June 24, @ 5 % p ann.						Cr.		
		Principal.			Days.	Interest.		
		£	s.	d.		£	s.	d.
1868.								
Jan. 1.	By Balance from old Account	816	4	0	174	7	10	9
Feb. 17.	By Bill of Exchange, Howe on Tooke, due March 13	280	0	0	103	3	19	0
" 26.	By your a/s p "Dolphin," due April 26	954	15	9	59	7	14	4
" 28.	By return of Premium p "Faithful" ..	52	10	0	88		12	7
June 24.	By Balance of Interest from Dr. side ..	2	13	0				
		£	1606	2	9	£	19	16
By Balance brought down		£	732	10	7			

METHOD.

Account-Current with A. B., London.

Cr.

		£	s.	d.
1868,				
Jan. 1.	By Balance from old Account	316	4	0
Feb. 17.	By Bill of Exchange, Howe on Tooke, due March 13 ..	280	0	0
" 26.	By Net Proceeds 25 Bales Cotton, and 20 Bags Pimento, p "Dolphin," as p a/s due April 26	954	15	9
Mar. 28.	By return of Premium p "Faithful," £3,500, @ 1½ % ..	52	10	0
June 24.	By Balance of your Interest Account	2	13	0
		£ 1606	2	9
June 24.	By Balance brought down	£ 732	10	7

Account.

Cr.

								£	s.	d.	
1868.											
Jan. 1.	£316	4	0	from this day to June 24, 174 days @ 5 % p ann.				7	10	9	
Mar. 13.	280	0	0	"	do.	103	" do.	3	19	0	
" 28.	52	10	0	"	do.	88	" do.	0	12	7	
April 26.	954	15	9	"	do.	59	" do.	7	14	4	
								£	19	16	8

WAREHOUSE or STOCK BOOK.

The object of this book is to give the merchant a correct knowledge of the quantity and value of the Stock of Goods he has in hand.

The form must vary according to the nature of the goods to be described, and the information required. The following example will give the pupil an idea of its nature and object.

WAREHOUSE BOOK.										
<i>Bought or Inwards.</i>			(IRISH LINEN.)			<i>Sold or Outwards.</i>				
Date.	Ps.	Marks.	Quantity.	Remarks.	Cost.	Date.	Ps.	Marks.	Quantity.	Sold.
			yds.		p. yd.				yds.	p. yd.
Jan. 2.	40	T.J.	1200	{ @ 1/2 p. yard in- cluding charges. }	1/2	Jan. 2.	4	T.J.	120	1/4
						" 3.	2	T.J.	60	1/3
						" 18.	10	T.J.	300	1/4
Totals	40		1200			Totals	16		480	
Feb. 1.	24	T.J.	720	{ Stock brought down. }	1/2					

NOTE.—A book of this kind is of great use in a business where the quantities of goods bought and sold are very considerable.

It is also of great use to the book-keeper in balancing the Merchandise Account in the Ledger, by ascertaining from it the value and quantity of goods unsold.

CIVIL SERVICE EXAMINATION PAPERS.

Set to Candidates for the Education Office.

No. 1.

1. What is the meaning of the terms "Debit" and "Credit?"
2. Which side of an Account-book is allotted to Debit Accounts, and which to Credit Accounts?
3. What is the Balance of an Account?
4. On which side of a Cash-Book must the Balance always fall?
5. On which side of a Cash-Book should an amount paid away be entered?
6. A. transmits to B. £400, with directions to pay J. Brown £38 2s. 6d., J. Smith £49 5s. 9d., W. Eve £50, W. Robinson £99 13s. 9d., each less $2\frac{1}{4}$ per cent.; and W. Walker £47 16s. 8d. H. Biggs £53 13s. 4d., and Charles Bunce £61 8s., each less 5 per cent.; and to retain the balance, if any, till further instructions. Supposing that B. has done all this, make out such an Account as it would be necessary for him to send to A. to show exactly what has taken place.
7. Give the entries of the same transactions, as A. would enter them in his Cash-Book on receiving the above Account.
8. State in a few words what "Book-keeping by Double Entry" is, and in what it is preferable to "Book-keeping by Single Entry."

No. 2.

(Time allowed 2 hours.)

Write the following transactions into the "Cash-Book" and "Ledger" given you herewith; observing—

1. That you are not allowed to re-copy your work, but must write everything at once into the books provided.
2. That no erasures will be permitted. If you think any entries wrong and desire to alter them, you may cancel them by drawing a pen through them so as to leave the original clearly visible.
3. Perfect accuracy is deemed of essential importance, and the marks will be assigned according to your success or failure in this respect. The calculations in the printed paper may be taken as correct, and need not be checked.

1868.						£	s.	d.
Jan. 1.	Cash in hand	..	..	..	..	1325	1	7
8. Lent to Rushbell & Co., on Warrant Demerara Cotton, per "Jane Dawson," @ 7½ %						264	11	0
6. Received of Rushbell & Co.						100	0	0
9. Lent Thomas Smith, on Bill of Lading for Silk, per "Margaret Mitchell," @ 7½ %						500	0	0
12. Lent Stevenson & Co., on 34 Qr.-Casks Brandy, per "Pearl," @ 7½ %						250	0	0
,, Lent Thomas Jackson, on Warrant for Jute, per "Queen of South"						54	0	0
14. Paid petty expenses						34	0	0
viz. Gas						£3	5	0
Rate						7	4	6
Clerk's Salary						23	10	6
Jan. 15. Received of Rushbell & Co.						165	0	5
Balance of Loan						£164	11	0
Interest on £100 for 3 days						0	1	8
Interest on £164 11s. for 12 days						0	8	2
,, Lent Jones, Son & Co., on Warrant of Surat Cotton, @ 7½ %						250	0	0
16. Received of Thomas Smith						500	14	5
viz. Loan						£500	0	0
Interest for 7 days						0	14	5
,, Lent James Parker, on Bill of Lading of Brandy, per "Maria Jane"						320	0	0
17. Received of Thomas Jackson						40	0	0
29. Received of Jones, Son & Co.						135	0	0
30. Lent James Smith, on Brandy, per "Maria Jane"						175	10	0

1868.				£	s.	d.
Feb. 7.	Paid John Brown for new Office Desk	..	..	12	15	0
11.	Received of Thomas Jackson	..	..	14	2	8
	viz. Balance of Loan	..	£14 0 0			
	Interest on £40 for 5 days	0	0	10		
	Interest on £14 for 30 days	0	1	10		
19.	Received of Stevenson & Co.	..	..	251	19	1
	viz. Loan	..	£250 0 0			
	Interest for 38 days	..	1 19 1			
24.	Paid Clerk (a/c of Wages)	..	..	5	5	0
25.	Received of James Smith	..	..	176	8	10
	viz. Loan	..	£175 10 0			
	Interest for 26 days	..	0 18 10			
„	Received of John Smith, as Composition for a Debt of £23 10s. 6d., written off as bad in 1833	..	..	15	0	0

No. 3.

1. What is Book-keeping by Double Entry, and why is it so called?
2. What books are used in Double Entry?
3. Could any of the books you have named be dispensed with, and which? Which of them is necessary to any system of Book-keeping?
4. Every transaction must be between two persons; J. Smith makes an entry, "R. Brown, *Dr.* to Goods;" who are the two persons interested in the transaction so recorded?
5. On which side of a Cash-Book should amounts paid away be entered? On which side must the balance always fall?
6. What is called the Balance of an Account? When is an Account said to be "balanced?" What is it to Balance the Ledger in Double Entry? What is a Trial Balance? and a Balance Sheet?
7. An agent receives from a merchant abroad authority to purchase goods for him in this country, and he buys of A. £250 worth, of B. £300 worth, and of C. £95 worth, and pays for them with Bills drawn on his correspondent. He is to receive £5 per cent. commission on his purchases. Give a copy of the Account which it would be necessary to send to the merchant.

8. The following is an account of all the transactions with J. Smith on May 13 :—

Sold James Smith :	£	s.	d.
Goods	54	0	0
Returned by James Smith :			
Goods	22	10	0
Allowed Dock Charges on Goods sold to James Smith	2	3	6
Received of J. Smith his Bill @ 3 months for balance of a/c.			

Give a copy of his Account in my Ledger.

SPECIMENS OF EXAMINATION PAPERS IN BOOK-KEEPING

Set to Candidates for Temporary and Dock Yard Clerkships in the Admiralty.

No. 1.

Read the following memorandum of transactions :—

1868.	£	s.	d.
Jan. 1. Bought of J. Taylor :			
2 Qr.-Casks Old Port @ £42	21	0	0
10 doz. Geneva, 21/.	10	10	0
„ Returned to J. Taylor :			
¼ hhd. Sherry @ £24	12	0	0
Less Dock Charges to be paid by me ..	2	3	4
„ Accepted Bill, drawn by John Taylor @ 3 months (and took his Receipt as for balance of a/c)	21	0	0

1. State what books these transactions would be recorded in, and which would be placed in each.
2. Give a copy of J. Taylor's Account in my Ledger after the requisite entries have been made in it.
3. Give a similar copy of my Account in J. Taylor's Ledger.

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1868.		£	s.	d.
Jan. 1.	Cash in hand .. '	50	0	0
	Goods on hand	120	0	0
<hr/>				
3.	Bought of Peak & Co. :			
	6½ Chests Hyson Tea, 3 ^{owt.} 2 7 = 399 lbs.,			
	@ 2/3	44	17	9
<hr/>				
4.	Sold to James Doyle :			
	2½ Chests Oolong Tea, 79 lbs. net, @ 1/8 ..	6	11	8
	8 Boxes Pearl Leaf Gunpowder, 9 lbs. each			
	= 72 lbs., @ 3/6	12	12	0
<hr/>				
5.	Sold to Robert Wilmot :			
	2½ Chests Flowery Pekoe, 181 lbs. net,			
	@ 2/6	16	7	6
<hr/>				
17.	Sold to George Walters :			
	1½ Chests fine Oolong = 50 lbs., @ 1/10 ..	4	11	8
	3½ Chests Hyson, 200 lbs., @ 2/9	27	10	0
<hr/>				
18.	Paid Peak & Co.	44	17	9
<hr/>				
23.	Received of James Doyle on a/o	10	0	0

No. 3.

- | | | | | | | | | |
|---------|-----------------------------|----|----|----|----|----|----|----|
| 1868. | | | | | | £ | s. | d. |
| July 1. | Cash in hand | .. | .. | .. | .. | 25 | 0 | 0 |
| | | | | | | | | |
| " | Bought of R. Jacobs & Son : | | | | | | | |
| | 10 doz. Sauterne, 40/. | .. | .. | .. | .. | 20 | 0 | 0 |
| | 20 doz. Chablis. 42/. | .. | .. | .. | .. | 42 | 0 | 0 |

No. 4.

1. Write the following transactions into the books provided, putting all—

Goods sold *into the Day-Book*.

Goods bought *into the Invoice-Book*.

Transactions involving Cash or Discount *into the Cash-Book*.

1868.		£	s.	d.
July 1.	Cash in hand	357	10	0
„	Bought of Jones & Son 40 Bags Cotton, 13,728 lbs., @ 4½d.	264	11	0
„	Paid wages and petty expenses of June ..	13	7	5
6.	Paid Jones & Son	264	11	0
7.	Sold J. Smithson 10 Bags Cotton, 7368 lbs., @ 6d.	184	4	0
8.	Bought of Peak & Co., 2 Lots Surat Cotton : Lot 217. 6 Bales, 2102 lbs., @ 2½d. ..	21	17	11
	Lot 8. 6 Bales, 2081 lbs., @ 2½d. ..	21	13	6
		43	11	5
„	Paid deposit on above	11	0	0
9.	Sold Beale & Co. 6 Bales Surat, 2102 lbs., @ 3½d.	32	16	10
10.	Sold John Parker 12 Bags Cotton, 3102 lbs., @ 4½d.	54	2	6
11.	Received of J. Smithson on a/c	100	0	0
12.	Received of Beale & Co. on a/c	30	0	0
13.	Received of Beale & Co. amount of their Account	£2	16	10
	Less 1¼ %	0	8	4
		2	8	6
“	Paid Peak & Co.	15	0	0

1868.						£	s.	d.
July 14.	Sold James Westhead	18 Bags Cotton,	3258 lbs.,					
	@ 5d.	..	..	..	..	67	17	6
						<hr/>		
19.	Sold Holroyd & Swindells	3 Bales Surat,						
	1043 lbs., @ 2½d.	..	..	..	..	11	18	11
						<hr/>		
22.	Paid Peak & Co. :							
	Cash	..	..	..	£17 10 0			
	Allowed	..	..	..	0 1 5			
						<hr/>		
						17	11	5
						<hr/>		
31.	Paid Wages, &c., to date			..	..	11	7	3
						<hr/>		

2. Post the same transactions from the books given above into the Ledger in the manner called "Single Entry."
3. Which side of a Cash-Book is always the greatest?
4. Name the additional Ledger Accounts which would be necessary if the transactions recited above were to be recorded by Double Entry.
5. Describe the process of Balancing and Closing a set of books kept by Double Entry.
6. What errors are not checked by balancing the Ledger, and how are they guarded against in practice?
7. At the beginning of a year a set of books is re-opened, and there are balances of the following Accounts:—

Merchandise,
Bills Payable,
Bills Receivable,
Furniture, and
Cash—

On which side of the Ledger will each be put?

8. Give the Journal entries which would be necessary to record the last three transactions given above (under Question 1).
9. Give the Journal entries which would be made by Holroyd & Swindells, and by Peak & Co., for their parts of the same transactions.

SPECIMENS OF EXAMINATION PAPERS IN THE PRINCIPLES OF BOOK-KEEPING BY DOUBLE ENTRY.

Set to Candidates for the Admiralty at Somerset House, Office of Works, &c.

No. 1.

1. What is Book-keeping by Double Entry, and what Book-keeping by Single Entry?
2. What books should (in your opinion) be used in Book-keeping by Double Entry?
3. (a) Which of the books you have named is indispensable in any system of Book-keeping?
(b) Are any others necessary to Book-keeping by Double Entry, and which?
(c) If any of those you have named as proper to be used in Double Entry Book-keeping can be avoided, show how it can be done.
4. At the end of the year a merchant balances his Ledger:
(a) Describe the process.
(b) What errors would not be checked by balancing the Ledger, and how are they guarded against in practice?
5. Has Book-keeping by Double Entry any superiority over Book-keeping by Single Entry, except the check it gives on the accuracy of the Ledger postings?
6. How should the following Accounts be closed?—
(a) Merchandise.
(b) Profit and Loss.
(c) Cash.
(d) Private Expenses.
7. At the present time the following is a correct statement of John Smith's position:—He has a house worth £550, furniture and fixtures worth £250, a horse and cart worth £60, various goods to the value of £970, and debts due to him from A. Jones, £50, B. Wing £60, and G. Brown £75; he has besides £32 7s. 4d. in cash, but he owes to James Thompson £49, to G. Jack £127, and to W. Craven £694.

Rule a sheet of paper to serve as a Ledger, and make all the entries which Smith's Ledger should have in it to show his position to be as above stated.

8. I buy wine of A. for £50, and sell it to B. for £55; B. pays me in a Bill for £25 and cash for £30, and I then pay A. on account. Give the Journal entries A. would make for these transactions, and also those of B.

(Rule paper in the proper Journal form to make the above entries on.)

9. On the 1st December I had the following transactions :—

	£	s.	d.
In hand	427	2	5
Paid J. Smith	40	11	7
Johnson's Bill due this day paid by me	98	7	7
S. Sewell paid me	39	7	6
viz. a/c	£40	0	0
Less amount allowed	0	12	6
Discounted with Williams & Co. 3 Bills, due in 3 months, paying 6 % discount	405	0	0
Paid Patrick Costello	444	7	6
viz.	£450	0	0
Less 1½ %	5	12	6

Rule a Cash-Book, and enter in it as many of these facts as you can.

No. 2.

- Supposing a Journal to be used, give the Journal entries for the following transaction :—
 “Sold to B. 1 Pipe Port, £50, and took his Bill at 2 months for the amount.”
- I buy Sherry of James Smith for £50, and sell it to B. for £55; B. pays me in a Bill for £25 and cash for £30, and I then pay to James Smith B.'s acceptance and cash for the balance, he allowing me 2½ % on the whole amount. Give the Journal entries which would be necessary for recording these transactions in my books.
- Give the Journal entries which James Smith would make for his part of the same transaction, and also those of B.

4. How should the following Accounts be closed?—

1. Merchandise.
2. Cash.
3. Profit and Loss.
4. Petty Expenses.

5. Describe the process of balancing. What errors are not checked by it, and how are they guarded against in practice?

6. A set of books is kept by Single Entry, and the books used are—

1. Day-Book or Sales-Book.
2. Cash-Book.
3. Bill-Book.
4. Ledger.

Show how this set of books could, at the end of a year, be changed to Double Entry, without making any fresh ones.

N.B.—The following should not be attempted till all you can do of the preceding has been completed.

B. Copy the following transactions into either—

1. A Sales-Book or Day-Book, a Cash-Book, and an Invoice-Book, or
2. (In the case of your not being able to do so) into any books that you consider would do in their stead.

In each case you must rule paper for yourself.

1868.						£	s.	d.
July 1.	Cash in hand	..	..	..	..	125	10	0
,, Bought of J. Edwards & Son :								
	12 doz. Sauterne, 40/.	..	..	..	..	24	0	0
	40 doz. Chablis, 42/.	..	..	..	..	84	0	0
4. Bought of W. Blake :								
	10 doz. Rudesheimer, 59/.	..	..	..	..	29	10	0
,, Sold Benj. Smith :								
	3 doz. Sauterne, 45/.	..	..	..	..	6	15	0
	2 doz. Chablis, 46/.	..	..	..	..	4	12	0
	4 doz. Rudesheimer, 75/.	..	..	..	..	15	0	0
7. Bought of Geisler & Co. :								
	3 Butts Sherry, £30	..	..	..	..	90	0	0
9. Sold Robert Bates :								
	1 Butt Sherry, £32	..	..	..	..	32	0	0
,, Sold J. Long :								
	10 doz. Sauterne, 45/.	..	..	..	..	22	10	0
	1 doz. Rudesheimer, 66/.	..	..	..	..	3	6	0
	1 Butt Sherry, £29	..	..	..	..	29	0	0

1868.				£	s.	d.
July 10.	Received of Benj. Smith	..	..	..	26	0 0
	viz. a/c	..	..	£26	7 0	
	Less 1½ %	..	..	0	7 0	
20. Accepted Draft of J. Edwards & Son, @ 2 months				..	108	0 0
	„ Paid W. Blake	..	..	..	29	2 8
	viz. a/c	..	..	£29	10 0	
	Less 1½ %	..	..	0	7 4	
23. Received of Robert Bates				..	31	4 0
	viz. a/c	..	..	£32	0 0	
	Less 2½ %	..	..	0	16 0	
29. Received of J. Long				..	54	16 0

No. 3.

(Time allowed, 3 hours.)

Candidates should confine their remarks to the answering of the questions proposed: anything stated beyond this will not be examined.

1. Rule a Cash-Book and enter in it the following transactions:—

1868.				£	s.	d.
Jan. 7.	Cash in hand	..	..	..	525	11 7
9.	Paid J. Smith	..	..	..	4	5 0
10.	Received of B. Brown	..	..	..	14	7 5
„	Paid into Heywood & Co.'s	..	..	..	500	0 0
11.	Received of J. Jones	..	..	..	123	4 0
	viz. a/c rendered	..	£126	7 0		
	2½ % allowed	..	3	3 0		
12. Paid Robert Jones by Cheque				..	250	0 0
„	Paid into Heywood's	..	..	..	130	0 0
„	Paid J. Smithson, he allowing 7/6 discount	..	..	..	22	12 6

2. Rule a Ledger and enter in it the transactions given in 1.

3. What is a "Ledger Account," a "Ledger Folio," a "Ledger Balance," and the "Balance of an Account?" And what is "Posting?"

4. What is Book-keeping by Double Entry? State briefly in what it differs from Book-keeping by Single Entry, and what advantages it has over it.

5. In Double Entry what does "Balancing the Ledger" mean? and what is the difference between a "Trial Balance" and a "Balance Sheet"? What sort of errors are not detected by balancing?
6. There are certain Accounts kept in Double Entry which are called variously "Real," "Fictitious," "General," "Non-personal," "Impersonal," &c. Give a list of the Accounts of this nature which would be used in an ordinary mercantile counting-house; and if you would apply any of the terms above to only a part of the accounts in question, distinguish that part.
7. How should Profit and Loss Account and Merchandise Account be closed?
8. J. S. buys sugar of B. W. for £55. Give the Journal entry that J. S. makes, and also that of B. W.
9. In a certain business it is necessary to keep a separate account of—
 - (a) Discounts.
 - (b) Commissions.
 - (c) Insurances.
 - (d) Petty Expenses.
 - (e) Salaries.

How should this be done? How, with your alterations for this purpose introduced into the books, would you proceed at balancing?

10. R. H. Read pays £497 12s. 6d. at the Bank of England to the account of James Macintosh, and advises him (i.e. Macintosh) that he has done so by the orders and on behalf of J. Robb and R. Steele, viz., on account of the first £50, and on account of Steele, £447 12s. 6d. Give the Journal entries for these transactions—
 - (a) Of R. H. Read.
 - (b) Of the Bank of England.
 - (c) Of James Macintosh.
 - (d) Of James Robb.
 - (e) Of R. Steele.

John Smith of London buys goods of William Brown & Co. of Manchester, and at the end of the year shows the following accounts and balances in his Ledger:—*Drs.* A £25, B. £20, C. £6, D. £3 10s., E. £42, Cash £32 10s.. *Crs.* Brown & Co. £85 7s. 6d., Stock £43 12s. 6d.

W. Brown & Co., on an examination, agree to take the risk of the outstanding debts upon themselves, and to appoint J. Smith their London agent to receive a commission on all his subsequent sales. The same books are to be kept:—state what alterations would be necessary to make them serve for the new state of things.

No. 4.

(Time allowed, 3 hours.)

Note.—Nothing which is not strictly in answer to the questions proposed will be examined or marked for.

1. Why is Book-keeping by Double Entry so called?
2. What advantages has Book-keeping by Double Entry over any other system?
3. What books are employed in Double Entry? Describe the contents of each book, and, if any entries are made in more than one of them, trace the course of such entries. State to what Government department or branch of business your answer applies.
4. The following particulars are given of the position of John Smith at the close of the year :—

W. Brown owes him £50, Charles Smith £70, Roger Peake £155. He owes Thomas Smith £50, Charles James £25, James Thompson £72. The Balance of Bills Receivable Account is £472, and of Bills Payable Account £917. The *Dr.* side of his Merchandise Account is £1172, and the *Cr.* £911. The *Cr.* side of his Stock Account is £410. He has in hand, Cash £48 and Goods £418.

Rule Ledger Accounts, place the amounts specified on the proper sides of them, and then close the Ledger, showing the balance.

5. What errors are not checked by balancing the Ledger?
6. Give the Journal entries for the following transactions :—

			£
Bought of John Smith, Wool	..	..	55
Sold Robert Brown, Wool	..	..	62
Received of Robert Brown—			
Cash .. ..	..	..	£32
Bill at 3 months .. ..	..	..	30
			— 62
Paid John Smith—			
Brown's Bill .. ..	..	..	£30
Cash .. ..	..	..	25
			— 55

7. Give the Journal entries which should be made by John Smith and Robert Brown for the part of each in the foregoing transactions.
8. A. has the following entry in his Journal :—

“John Thompson *Dr.* to Bills Payable .. £500 0 0
 “(accepted the Draft of Jacob Simpson on his account).”

Give the Journal entries which John Thompson and J. Simpson should make respectively.

9. How could books be kept by Double Entry without the use of a Journal?
10. In the books of most Government departments and of some merchants the Journal has the *Dr.* and *Cr.* columns on opposite sides of the page, and the totals of the pages carried forward to the end of the year. What is thus gained?
11. Define the position in which the "Private Ledger" of a merchant stands with respect to his other books.
Define the uses and position of an Auxiliary Ledger in the books of the Admiralty and other Government departments.

SPECIMENS OF EXAMINATION PAPERS IN BOOK-KEEPING.

Set to Candidates for Supplementary Clerkships in the Treasury.

No. 1.

A. Copy the following transactions into either—

1. A Sales-Book or Day-Book, a Cash-Book, and an Invoice-Book: or
2. (In the event of your not being able to do so) into any books that you consider would do in their stead. In each case you must rule paper for yourself.

1868.						£	s.	d.
July 1.	Cash in hand	..	..	..	..	125	10	0
	„ Bought of J. Edwards & Son :							
	12 doz. Sauterne, 40/.	..	..	..	..	24	0	0
	40 doz. Chablis, 42/.	..	..	..	..	84	0	0
	4. Bought of W. Blake :							
	10 doz. Rudesheimer, 59/.	..	..	..	..	29	10	0
	„ Sold Benj. Smith :							
	3 doz. Sauterne, 45/.	..	..	..	..	6	15	0
	2 doz. Chablis, 46/.	..	..	..	..	4	12	0
	4 doz. Rudesheimer, 75/.	..	..	..	..	15	0	0
	7. Bought of Giesler & Co. :							
	3 Butts Sherry, £30 .	..	..	..	..	90	0	0
	9. Sold Robert Bates :							
	1 Butt Sherry, £32 ..	..	..	..	..	32	0	0

1868.						£	s.	d.
July 9. Sold J. Long :								
	10 doz. Sauterne, 45/.	..	..	..		22	10	0
	1 doz. Rudesheimer, 66/.	..	..	..		3	6	0
	1 Butt Sherry, £29	..	..	..		29	0	0
10. Received of Benj. Smith						26	0	0
viz. a/c						£26	7	0
Less 1½ %						0	7	0
20. Accepted Draft of J. Edwards & Son at 2 months						108	0	0
„ Paid W. Blake						29	2	8
viz. a/c						£29	10	0
Less 1½ %						0	7	4
23. Received of Robert Bates						31	4	0
viz. a/c						£32	0	0
Less 2½ %						0	16	0
29. Received of J. Long						54	16	0

B. 1. Supposing a Journal to be used, give the Journal entries for the following transaction :—

“Sold to B. 1 Pipe of Port, £50, and took his Bill at 2 months for the amount.”

2. I buy Sherry of James Smith, £50, and sell it to B. for £55; B. pays me in a Bill for £25 and cash for £50, and I then pay to James Smith B.'s acceptance and cash for the balance, he allowing me 2½ % on the whole amount.

Give the Journal entries which would be necessary for recording these transactions in my books.

3. Give the Journal entries which James Smith would make for his part of the same transaction, and also those of B.

4. How should the following Accounts be closed?—

1. Merchandise.
2. Cash.
3. Profit and Loss.
4. Petty Expenses.

5. Describe the process of balancing. What errors are not checked by it, and how are they guarded against in practice?

6. A set of books is kept by Single Entry, and the books used are,

- 1 Day-Book or Sales-Book.
- 2 Cash-book.
3. Bill-book.
4. Ledger.

Show how this set of books could, at the end of a year, be changed to Double Entry without making any fresh ones.

- C. 1. Rule a Journal and enter in it the transactions given in A, and post them from it into a Ledger (also ruled by yourself); or,
2. Post the transactions given in A into a Ledger (ruled by yourself), giving the Accounts necessary to make it Book-keeping by Double Entry.

N.B.—The Candidate should do either A. and B. or A. and C.

No. 2.*

Make the entries necessary to record the following transactions in the proper Books, and then close and balance the Ledger :—

List of the Effects of W. H. Turner.

				£	s.	d.
1868.						
Jan. 1.	50 Cases Geneva (1 doz. each), 7/.	..	..	17	10	0
	2 Hhds. Pale Ale, 84/.	..	..	8	8	0
	2 Barrels Porter, 37/.	..	..	3	14	0
	15 Doz. Fine Champagne, 30/.	..	..	22	10	0
				<hr/>		
Bills Receivable, viz. :—						
	No. 16. North & Co.	..	£275 4 2			
	18. Tatlock & Co.	..	49 17 5			
	19. Ditto	..	172 7 6			
				<hr/>		
				497	9	1
				<hr/>		
	Cash in hand	..	47 6 9			
	Ditto at Banker's (Glyn's)	..	262 15 4			
				<hr/>		
				810	2	1
				<hr/>		
Book Debts :						
	Roger Smith	..	219 5 4			
	Wm. Lott	..	19 4 7			
	Th. Wing	..	35 7 9			
				<hr/>		
				273	17	8
				<hr/>		

* This Paper has been set also to Candidates for Supernumerary Surveyorships of Taxes.

1868.

£ s d.

List of Liabilities .

David Murray	£797	2	6		
Bills Payable (Johnson's Draft)	207	2	9		
				1004	5 3

Jan. 2. Bought of Johnson & Co.:					
20 Cases of Edam Cheese, say	16	1	19,		
60/.				49	5 2

„ Shipped per “Gustav Adolph,” L. Göde, at Bahia, on my account and risk, consigned to W. Smith & Co :					
50 Cases Geneva (1 doz. each), 7/. ..				17	10 0
2 Hhds. Pale Ale, 84/.				8	8 0
2 Barrels Porter, 37/.				3	14 0
2 Hhds. 40/., 2 Barr. 26/.				3	6 0
Freight, Primage, &c.				2	11 3
				35	9 3

5. Sold Tatlock & Co. :					
5 Doz. Champagne, 36/.				9	0 0

6. Sold Wm. Lott :					
3 Doz. Champagne, 35/.				5	15 0

9. Shipped per “Great Western,” Bevis, at Rio, consigned to Robert Bradshaw, for and on account of and risk of Consignee :					
20 Cases of Edam Cheese, say	16	1	19,		
@ 72/.				59	2 2
Free on board.					

10. Drew Cheque for Petty Cash				15	0 0
--------------------------------------	--	--	--	----	-----

„ Received of Roger Smith				213	15 6
viz. a/c	£219	5	4		
Less 2½ %		5	9 10		

„ Received of Wm. Lott				18	19 6
viz. a/c	19	4	7		
Less 2½ %		0	5 1		

„ Received of Thomas Wing his Acceptance at 1 month				35	7 9
--	--	--	--	----	-----

„ Paid into Glyn & Co.'s				150	0 0
--------------------------------	--	--	--	-----	-----

1868.	£	s.	d.
Jan. 11. North's Bill, due 13th inst., paid into Glyn's ..	275	4	2
20. Accepted David Murray's Draft at 1 month ..	797	2	6
23. Johnson's Bill, due this day, retired at Glyn's	207	2	9
„ Tatlock's Bill, due this day, duly honoured ..	49	17	5
30. Petty Cash Payments this month, including £5 16s. 9d. Dock charges, &c., on Cheese, per "Great Western "	11	3	5

APPENDIX I.

Invoices and Statements (page 25).

The almost universal practice now pursued with respect to Invoices and Statements is for the merchant to issue an invoice with the goods, whether they have been sold for cash or on credit. It is not always done in small retail businesses, but even there the practice is spreading.

The length of credit allowed varies in the different trades, but it is customary when the time allowed for payment is near expiring for the merchant to send to his debtor a reminder in the shape of a "*Statement*," of which the following is a form.—For example, let us take the two invoices of goods sent by Henry Simpson on pages 80 and 81, the Statement he would send, say on the 24th December, would be:—

17, Newgate Street,
London, December 24, 1868.

Mr. A—— B——

Dr. to Henry Simpson.

1868		£	s.	d.
Sept. 17	To Goods	582	0	0
25	To do.	483	17	6
		£ 1065	17	6

APPENDIX II.

Rule for Journalizing (page 41).

The Rule given for Journalizing, although apparently very simple, is, nevertheless, often found to be very difficult of application by the student, owing probably to the want of a thorough comprehension of the relation of the various Accounts one to another and to the merchant himself. A careful study of the following explanations, which are based upon a most ingenious exposition of the subject by the late Professor De Morgan, may help to elucidate the rule and its application.

I.

Accounts in Book-keeping by Double Entry are kept as if every different Account belonged to a separate person and had an interest of its own which every transaction connected therewith either promotes or injures. The student would consequently find the Rule for Journalizing more intelligible if he were to imagine—

1. Every Account, with the exception of the Personal Accounts proper, to be kept by separate persons, or clerks, each in his own department being a representative of the merchant and acting for him accordingly. To assist him the pupil might imagine the Cash Account to be kept by the Cashier, the Linen Account to be kept by the Linen Clerk, the Bills Receivable by the B. R. Clerk, the Bills Payable by the B. P. Clerk, and so on; and

2. The Personal Accounts proper to be kept by clerks representing the persons themselves.

II.

The Rule for Journalizing may then be thus enunciated :—

1. An Account is always *Debtor* for whatever the (imaginary) person keeping it receives or has to receive, and for all responsibilities which are redeemed or of which he is relieved.

2. An Account is always *Creditor* for everything which the (imaginary) person keeping it pays away, or has to pay away, and for all responsibilities undertaken by him.

EXAMPLES.

i. Suppose Calico to the value of £50 be bought for cash. The imaginary transaction would be as follows :—The person keeping the Cash Account (the Cashier) pays away, on behalf of the firm, £50; consequently "Cash" is *Creditor* for £50; and the person keeping the Calico Account (the Calico Clerk) receives goods to the value of £50; and consequently "Calico" is *Debtor* for that amount. The transaction would therefore stand in the *Journal*—

Calico *Dr.* to Cash.

ii. Suppose a Bill for £100 drawn by H. Jones upon the firm to be accepted. The imaginary transaction would be carried out through the person keeping the Bills Payable Account (the B. P. Clerk), so that he having undertaken a responsibility on behalf of the firm (to pay the Bill when due), the Bills Payable Account would be *Creditor*; while H. Jones's Account would be *Debtor*, because he receives the acceptance and has to receive the money when due. The transaction would therefore be journalized—

H. Jones *Dr.* to Bills Payable.

iii. When the Bill becomes due and is paid, the Cashier hands over to the person presenting it the £100, and his account—"Cash"—is consequently *Creditor*. On the other hand, the Bills Payable Clerk receives the Bill from the Cashier, and his Account consequently becomes *Debtor* for a responsibility redeemed. The entry in the *Journal* would therefore be

Bills Payable *Dr.* to Cash.

iv. Again, suppose a Bill to be drawn by the firm on Williams & Co. for £150, which they have accepted. The B. R. Clerk being the recipient of the accepted Bill, his Account would be *Debtor*; while Williams & Co. undertaking a responsibility to pay the Bill when due, their Account would be *Creditor*, and the transaction would be entered in the *Journal*—

Bills Receivable *Dr.* to Williams & Co.

III.

On opening the Accounts the merchant may be imagined to distribute his Assets and Liabilities among the several clerks acting for him, as follows :—

1. He transfers what he possesses or has to receive (his Assets, in fact) to the persons keeping the respective Accounts, so that they being the recipients, their Accounts are *Debtor*; and the merchant's own Account, "Stock," will be *Creditor*, because he parts with the property—

The Assets are consequently Journalized—

Sundries *Dr.* to Stock.

2. The Liabilities he also transfers in the same way, but the Accounts (or rather the clerks keeping them) becoming responsible for their due payment are *Creditor*, while the Merchant's Account being relieved therefrom, "Stock" is *Debtor*. So that the Liabilities are entered in the *Journal*—

Stock *Dr.* to Sundries.

IV.

On closing the Accounts a new process commences.

The clerks keeping the various Accounts have to account to the clerks keeping the Profit and Loss Account and Balance Sheet for the results of their transactions during the year.

1. Every clerk keeping a Merchandise Account has to account—

- i. To the *Balance* Clerk for the value of the Goods on hand or in "Stock."
- ii. To the Clerk keeping the Profit and Loss Account, for the Profit or Loss made upon the whole of the transactions during the period the Accounts have been kept open.

2. The Profit and Loss Account being answerable for every loss or gain which has occurred, all persons keeping Accounts subsidiary to the Profit and Loss Account have to transfer their gains and losses to the Clerk keeping that Account.

3. All the other Accounts (or persons keeping them) have to account to the *Balance* Clerk for their respective balances.

4. Now it must be remembered that the transfer from one account to another is really done by the Rule for Journalizing, either implied or expressed, and it is not at all uncommon to have the requisite entries made in the Journal before proceeding to actually close the Ledger. The Rule to be followed as to *Debtor* and *Creditor* is here exactly the same as before. Thus in the transfers to the Balance Account:—

i. Whatever there is in hand, or is belonging or owing to the firm on any Account, has to be transferred over from that Account (by the person keeping it) to the Balance Clerk, so that the Balance Clerk being the recipient, the Balance Sheet is *Debtor* for what is received; and the Account from which it is transferred is consequently *Creditor*. If a Journal entry were made for the transfer of these Balances they would be Journalized

Balance Dr. to Sundries.

ii. Whatever is owing by the firm, or for which it is responsible on any Account, has to be transferred to the Balance Clerk, and his Account becoming responsible for it, "Balance" is consequently *Creditor*, while the other Account (or person keeping it) being relieved from the responsibility is *Debtor*. The Journal entry would therefore be

Sundries Dr. to Balance.

5. The Profit and Loss Account being the one which collects everything appearing in all the other Accounts for which no actual equivalent appears in the books, the Clerk keeping that Account becomes answerable for every loss, and the supposed cause of every gain.

i. Where an Account shows a profit, the Clerk keeping the Profit and Loss Account adjusts the other Account by himself taking *Credit* for the gain, and relieving the other Clerk of the responsibility of accounting for it to the firm. The transferring Account is consequently *Debtor* to the Profit and Loss Account. To Journalize such transfers say

Sundries Dr. to Profit and Loss.

ii. When an Account presents a loss, the Profit and Loss Clerk takes it over and *Debits* his Account with it, and the transferring Account in consequence becomes *Creditor*. Such transfers are Journalized

Profit and Loss Dr. to Sundries.

V.

The final process is, that the Profit and Loss Clerk and the firm have to adjust their respective Accounts. In doing so, we must remember the appearance of the Stock Account when the Accounts were first opened by the method explained in Section III. We shall

then find that the *Liabilities* appeared on the *Debtor* side, and the *Assets* on the *Credit* side of that Account. If the Profit and Loss Account show a net gain, that would increase the merchant's *Assets*, and the balance of the Profit and Loss Account should consequently appear on the *Credit* side of the Stock Account. Now if the Profit and Loss Account does show a net gain, the balance will appear on the *Debit* side of that Account, consequently, in order to balance the two Accounts, if there be a net gain, we must say, Profit and Loss *Dr.* to Stock. And conversely, if there be a net loss, the entry in the Journal will be Stock *Dr.* to Profit and Loss.

APPENDIX III.

Subsidiary Accounts to the Profit and Loss Account (page 57).

There are numerous receipts and payments continually occurring in actual business for which no goods or anything tangible are given in exchange. Such transactions are treated in Book-keeping as Profit or Loss; and in the body of this work, where such items are few in number, the pupil is directed to carry them at once to the Profit and Loss Account. It is, however, advisable to keep separate accounts for these sundry receipts and payments, more especially when they form a considerable portion of the business of the concern. Thus among the receipts it may be advantageous to separate the "Commission," "Charges," "Interest," "Discount," &c.; and among the payments such items as "Rent," "Insurance," "Salaries and Wages," "Discount," "Commission," "Bad Debts," "Petty Payments," &c., may very well form the headings of separate accounts.

The transactions affecting these accounts are sometimes passed through the Cash Book, and with great advantage when the Cash Book is ruled with a series of columns having different headings: but it is often found more convenient to keep separate books for most of them, and Journalize the totals at the end of the month as if they were single items.

A separate book is nearly always kept for Petty Expenses, but as the small payments amount sometimes to very large figures in the course of a year, it is very desirable to separate the payments into different classes and thus trace the expenses as minutely as possible.

This separation is most conveniently and expeditiously done by ruling the book itself with a series of columns and heading them with the respective names of the payments; thus, take examples 3 and 4 on page 17:—

To Journalize "Petty Expenses " at end of month, say Sundries
Dr. to Cash, thus :—

MARCH, 1868.			Dr.			Cr.			
			£	s.	d.	£	s.	d.	
Furniture, Repairs, &c.		Dr.	7	11	3				
Wages		"	2	15	0				
Cartage, Portorage, &c.		"	2	11	0				
Stamps		"	2	3	6				
Sundry Expenses		"	2	14	0				
To Cash (for petty expenses this month)		"				17	14	9	
			£	17	14	9	17	14	9

The plan of separating and classifying the transactions as they occur by means of separate columns in the books is now very common, and it will at once be seen that it gives increased facilities for Journalizing monthly, or even quarterly. This plan of ruling the books with a series of columns is often spoken of as being a different *System* of Book-keeping, and has even received the name of the "Columnar Method," but it is nothing more than a special arrangement for applying the System of Book-keeping by Double Entry with increased facility.

COMMERCIAL TERMS.

ABANDONMENT, in marine insurance, signifies the relinquishment or surrender to the insurer or underwriter of goods saved from a shipwreck.

ABATEMENT, or **REBATE**, is the name sometimes given to a discount allowed for prompt payment; it is also used to express the deduction that is sometimes made at the Custom House from the duties chargeable upon such goods as are damaged.

ACCEPTANCE OF A BILL is the act whereby the drawee engages to pay the bill when due according to the terms of the acceptance. This is generally done by the drawee writing the word "accepted" across the face of the bill, signing his name underneath.

ACCOMMODATION BILLS are bills of exchange which are not drawn against any goods or account, but are drawn simply with the object of raising money by discounting them with a third party.

ACCOUNT, a statement of facts in money value relating to any person or thing. It is also a term used on the Stock Exchange to denote the time (generally about two weeks) fixed by the Committee of that body, at the expiration of which all transactions must be either *made up* or paid for. Purchases or sales of stock made "for the account," must be "made up" or paid for on or before the settling day, which is always the last day of the "account."

ACCOUNTANT, a person who professes skill in mercantile accounts. A **PUBLIC ACCOUNTANT** is a person who, for remuneration, undertakes to make up, balance, or audit the accounts of a merchant, trader, or public company.

ACCOUNT CURRENT is a statement of mercantile transactions with a correspondent, drawn out in a plain and circumstantial manner, in the form of *Cr.* and *Dr.* See page 86.

ACCOUNT SALES, a statement of the particulars of the sale of goods. See page 85.

ACQUITTANCE, a written discharge of some contract or debt.

ACTION, a term applied to legal proceedings instituted in a court of law.

ACT OF HONOUR, an instrument drawn up by a notary public, when a bill is accepted for the honour of another person; that is, when the drawee refuses to accept, any third party, after protesting, may accept for the honour of the bill generally, or for the drawer, or for the indorser; in which case the acceptance is called an acceptance *supra protest*.

ACTUARY, a person skilled in the valuation of property and monetary transactions involving the contingencies of human life.

ADJUSTMENT, in marine insurance, is the determination of the amount of indemnity to be paid under a policy by the underwriter in cases of partial or total loss.

AD VALOREM, according to the value. Used chiefly in speaking of duties regulated according to the value of the merchandise on which they are levied.

ADVANCE, money lent on the security of merchandise, stocks, &c. The term is also applied to the prepayment of a portion of the value of goods ordered or consigned.

ADVENTURE, a speculation in merchandise sent to some foreign market, with general instructions to the agent or supercargo to dispose of it to the best advantage.

ADVICE, information respecting the drawing of bills, consignment of goods, sales of merchandise, &c., furnished by letter from a merchant to his correspondent. When a bill of exchange is drawn it is the universal custom for the drawer to advise or inform the drawee that such has been done.

ADMINISTRATOR, a person appointed by the Court of Probate to distribute according to law the goods of a person who has died without making a will.

AFFREIGHTMENT, CONTRACT OF, the contract under which goods are conveyed by a ship.

AGENT, a person duly authorized to act for another.

AGREEMENT, a contract in writing between two or more persons to perform certain acts according to specified conditions.

AGIO, the rate of premium allowed for the payment of a debt in one metal in preference to another. The percentage difference between the standard money and currency of a place.

ALLOTMENT, the apportionment of a public loan or joint-stock capital among the subscribers or applicants. The amount apportioned to each is communicated by letter, called a **LETTER OF ALLOTMENT**.

ALLOWANCE, in weight, is a certain deduction made from the gross weight of goods in estimating their value for sale, or for the payment of duty. See **DRAFT, TARE, TREET**.

ANNUITY, an annual sum paid or received.

ANNUITIES, GOVERNMENT, are of two kinds, **FIXED TERM**, and **LIFE**. The Term Annuities or Annuities-certain were formerly granted as premiums or bonuses to the subscribers to loans. The annuities so created that exist now (1875), and which expire 5th of April, 1885, only amount to 116,000*l*. Other annuities created for the Military Forces Localisation Act, the purchase of the Red Sea and India Telegraph Company, The Sinking Fund, and those granted under 10 Geo. IV., cap. 24, and 3 Will. IV., cap. 14, amount together to 4,328,314*l*. 8*s*. 10*d*. per annum. The Life Annuities were created under the Acts 48 Geo. III., cap. 142; the 10 Geo. IV., cap. 24; and 3 Will. IV., cap. 14; and 16 & 17 Vict., cap. 45. The commissioners grant annuities in exchange for stock on single or joint lives, immediate or in reversion, according to the age of

the respective parties, at rates set forth in the last-mentioned Act. The amount of these annuities chargeable upon the public revenue on 31st of March, 1875, was 914,956*l.* 9*s.* 2*d.* The Exchequer Tontine Annuities amount to 14,986*l.* 2*s.* 9*d.*

ANTE-DATE, a prior date, to date back.

APPRAISER, a person licensed to set a value upon goods to be sold.

ARBITRATION, a mode of settling a dispute, by referring the question to the decision of one or more persons without an appeal to law.

ASSETS, in commerce, a term used to designate the stock in trade, and the entire property of every kind, belonging to a merchant or to a trading association.

ASSIGNEE, a person to whom property is assigned or transferred by deed or writing, or order of the Court of Bankruptcy. *See also* CREDITOR'S ASSIGNEE, OFFICIAL ASSIGNEE, and TRUSTEE.

ASSIGNMENT, the deed or document by which property is transferred from one person to another.

ASSIGNOR, a person who transfers some property to another by deed or writing.

ASSURANCE, *see* INSURANCE.

ATTACHMENT, the act by which a creditor may claim and seize the effects of his debtor, wherever they may be found.

ATTORNEY, **POWER OR LETTER OF**, *see* LETTER OF ATTORNEY.

AUCTION, a public sale of goods or property where the price is constantly increased by competition among intending purchasers. The last, who of course is the highest bidder, is the purchaser. When the prices bid do not reach the reserve price placed upon the goods by the seller, they are *bought in* by the auctioneer, that is, withdrawn from sale.

AUCTIONEER, a person licensed to conduct sales by auction.

AUDITOR, a person to whom is entrusted the examination and verification of accounts.

AVERAGE, in marine insurance, is the ratio of compensation for damage to, or partial loss of, a ship or cargo.

AVERAGE CLAUSE, the clause usually expressed on a Policy of Marine Insurance, which provides that corn, flour, fish, salt, fruit, and seed be free from all average unless general or the ship be stranded; and that sugar, rum, hides, skins, hemp, flax, and tobacco be free from average under 5 per cent., and all other goods, the ship and freight under 3 per cent., unless general or the ship be stranded.

AVERAGE, GENERAL. When the owner of a vessel has incurred loss and expense in securing the safety of the ship and cargo, the owners of the vessel and of the goods on board are called upon to contribute to general average, that is, to sustain their share of the loss and expense in proportion to the value of their interests. If the goods are insured the merchant can recover from the underwriters.

AVERAGE, PARTICULAR, in marine insurance, is the indemnity paid by the underwriters to the insured for damage to his goods or ship caused by the perils and accidents naturally incident to a sea voyage, such as

damage by sea water, heating, &c. To claim particular average for sea damage to goods there must be a special clause to that effect on the policy. If the vessel strands, particular average can be claimed on all goods.

AVERAGE STATER, or ADJUSTER, a person whose business is to compute or adjust averages.

BACKWARDATION, or BACKWARDIZATION, a Stock Exchange term, signifying the consideration paid by a seller for the loan of stock when it is scarce in the market, or for the privilege of not delivering until the following account-day.

BAILMENT, the delivery of goods into trust, on condition that they shall be returned when the terms of the agreement are fulfilled.

BAILIFF, an officer or agent. Sheriff's bailiff is an officer appointed by the sheriff to execute all processes which he, the sheriff, entrusts to him, such as presenting warrants, making arrests, collecting the Queen's fines, &c. Bailiff of a Manor is a steward or agent appointed by the lord to superintend the property, collect rents, &c.

BALANCE, in its ordinary commercial meaning, is the difference between the two sides of an account. That sum of money which must be added to the one or the other side of an account in order to make the *Drs.* and *Crs.* equal in amount.

BALANCE OF TRADE, as applied to the whole nation, is the difference between the aggregate amounts of exports and imports, valued in money; or, as applied to the trade between two countries, it is the balance of the particular exports and imports between them, also estimated in money value.

BALLAST, any heavy matter placed in the hold of a ship to make her sink to a proper depth, to avoid the danger of oversetting.

BANCO, the standard money in which a bank keeps its accounts as distinguished from the current money of the place. It is adopted in Hamburg and other foreign cities, notably in South America.

BANK, in its general term, is an establishment dealing in money and credits. In the restricted use of the term it is an establishment receiving money on deposit from its customers, and lending that portion which is not immediately required to persons who are willing to pay for the use of it. The mode of doing this is usually by the discount of bills of exchange not having a long time to run.

BANKER, the proprietor of a banking establishment.

BANK, JOINT STOCK, a co-partnership consisting of not less than seven members, constituted under a deed of settlement, and established for the purpose of carrying on the business of banking. Joint Stock Banks are regulated by Act of Parliament, 25 & 26 Vict., cap. 89.

BANK OF ENGLAND, a society incorporated in 1694 under the title of The Governor and Company of the Bank of England. It is the only bank in London allowed to issue notes payable on demand; and that is limited to the amount of bullion actually existing in the issue department, and the debt due from the Government. The amount borrowed by the

Government from the Bank of England is 11,015,100*l.*, upon which 3 per cent. interest is paid.

BANK OF IRELAND, DEBT DUE TO. The amount borrowed by Government from this establishment is 2,630,769*l.* 4*s.* 8*d.*, upon which 3 per cent. interest is now paid.

BANK NOTE, a promissory note issued by a bank, payable on demand.

BANK POST BILL, a note issued by the Bank of England promising to pay a certain sum of money at a specified time, generally seven days after sight.

BANK RATE, the minimum rate at which the Bank of England will discount bills of exchange. It is fixed by the Governors from time to time, generally at their weekly Court on Thursdays.

BANK RETURN, a statement of accounts published weekly by the Bank of England, according to Act of Parliament.

BANKRUPT, a person unable to meet his debts when due, and whose property and effects are administered and distributed rateably among his creditors, according to the statutory regulations. A bankrupt is an insolvent, but a person may be in a state of insolvency without having committed an act of bankruptcy.

BANK STOCK, the capital of the Corporation of the Bank of England. It amounts to the sum of 14,553,000*l.*

BARGAIN, the arrangement of the terms of a purchase or sale.

BARRATRY, a fraud committed by the master or crew of a ship on the owners or insurers; such as sinking, deserting, or taking away the ship, or embezzling the cargo.

BARTER, the exchanging of one commodity for another as contrasted with the sale of commodities for money.

BEAR, a Stock Exchange term, applied to a person who sells stock with a view to buying back at a lower price.

BILL, a term generally applied to a draft or invoice.

BILL BROKER, a person engaged in the purchase and sale of bills of exchange.

BILLS, INDIAN GOVERNMENT, bills drawn on the Indian Government, and payable in London at the Bank of England.

BILL OF ADVENTURE, a written statement made by a merchant declaring that the goods shipped by him and in his name are the property of another.

BILL OF ENTRY, an account furnished by a merchant to the Custom House authorities, containing the particulars of goods either imported or exported by him.

BILL OF EXCHANGE, a written order from one person to another to pay to him (the drawer), or to a third person, or to his order, or to the bearer, a certain sum of money, generally at a specified time. *See* page 11.

BILL OF HEALTH, a certificate, signed by proper authorities, showing that the crew and passengers of a vessel are in a healthy state at the time of their sailing from a port.

BILL OF LADING, a document signed by the captain of a vessel acknowledging the receipt of goods on board, and undertaking, on payment

of freight, to deliver the same in good order and condition at the port of destination to the consignee or his assigns. It is customary to make out three bills of lading: one to be left with the shipper, the second to be held by the captain of the ship, and the third to be sent to the person to whom the goods are consigned, by which he can claim them on their arrival. Each bill of lading must bear a 6*d.* stamp.

BILL OF PARCELS, an account given by the seller to the buyer, containing the particulars of the goods bought. *See* INVOICE.

BILL OF SALE, a deed assigning personal chattels, for the object of securing the payment of money at a future day, with a proviso that the debtor shall remain in possession of the goods until he shall make default in payment. Every bill of sale must be filed in the office of the Court of Queen's Bench within twenty-one days, and must be renewed every five years if the debt be not discharged in the meantime.

BILL OF SIGHT. When a merchant, from want of information, is unable to make a perfect entry of goods consigned to him, he must enter them by bill of sight, which is a document containing the best description he can give of them. In this case the merchant is bound to make a perfect entry of the goods within three days after they have been landed.

BILL OF STORE, a licence granted by the Custom House to merchants to carry such stores and provisions as are necessary for a voyage, free of duty. This term is also applied to the entry inwards (under certain conditions) of re-imported goods.

BILL OF SUFFERANCE, a licence granted by the Custom House authorities to a person allowing him to trade in dutiable articles without paying duty, upon his giving bond that the goods on arrival shall be duly delivered into a bonded warehouse.

BILL OF VICTUALLING, a document furnished by the captain of a ship to the Customs, containing a list of the stores taken on board.

BILLS, NAVY, are bills of exchange drawn on the Accountant-General of the Navy for payments for the public service. Officers abroad requiring money for the public service are authorized to draw on the Accountant-General of the Navy at seven days' sight, which bills are negotiable like other bills, and are first-class paper. Payments at home by the Admiralty are made by three days' bills drawn by the Accountant-General of the Navy on the Paymaster-General. Some home payments are by similar bills payable at sight.

BLANK CREDIT, a letter of credit in which no particular sum is mentioned.

BOARD, a word used to denote, in their collective capacity, certain persons to whom is entrusted the management of some office or department usually of a public or corporate character.

BOARD OF TRADE, a short title for a department of the English Government officially designated, "The Lords of the Committee appointed for the consideration of all matters relating to Trade and Foreign Plantations." This department is practically under the direction of a president and vice-president. The clerks of the Council are, *ex officio*, secretaries

of the Board of Trade, but that duty is really performed by two joint assistant-secretaries. The functions of the Board are various, some of its duties being of a ministerial, and others of a judicial character. It has the general superintendence of matters relating to merchant ships and seamen, and the carrying into execution of the statutes in force relating to them. For that purpose it has to require and receive various kinds of returns as to trade and navigation, and originate and consider reports made to it by its inspectors and other officers. It has also a partial control over local marine boards. The Board of Trade exercises a supervision over railways and railway companies, not only with respect to their original formation, but also as to their subsequent working. It is also charged, through the medium of a registrar, with the registration of all joint-stock companies. The registration of a copyright in designs is also effected by the Registrar of the Board. The Board has also to require and receive certain returns from life assurance companies. A department of the Board of Trade is charged with the collection and publication of tables, containing information with respect to the revenue, trade, commerce, wealth, population, and other statistics of the United Kingdom and its dependencies, as well as of foreign countries. There are several other departments and duties, too numerous to mention here, but enough has been said to show the important duties performed by the Board of Trade and the various interests which it regulates and controls.

BOND, a deed or obligation under seal by which a person binds himself, his heirs, executors, and administrators, to pay a certain sum of money, or perform certain acts, generally within a stated time, or on the happening of a certain event. **COMMERCIAL BONDS** are deeds under seal issued by a government or corporation, covenanting to repay a certain loan at an appointed time, and to pay interest at a certain rate in the interval. The penal sum inserted in most bonds made in Great Britain, and which the debtor binds himself to pay, is generally double the amount of the debt, and a condition is inserted that if the amount borrowed is paid by a certain day then the bond shall be void.

BOND, POST OBIT, a bond payable after the death of the person whose name is therein mentioned.

BOND, CALLED. A called bond is a bond which has been selected to be paid off or "called in" at a certain date, after which it ceases to bear interest.

BOND, CUSTOMS, a bond given by the owner (or holder) of dutiable goods and a surety, whereby they engage, under penalty, to comply with certain requirements of the Board of Customs.

BOND, DRAWN, a bond, the number of which has been drawn in an official lottery according to the terms of the loan, and which becomes in consequence payable at a certain near date, and ceases to bear interest after that time.

BONDED GOODS, dutiable merchandise upon which Customs or Excise duties have not been paid, and which, in consequence, are stored in

licensed warehouses under the control of the Customs or Excise authorities.

BONDING SYSTEM, or WAREHOUSING SYSTEM, is the plan of depositing in a warehouse dutiable goods, without payment of duty, till they are removed for home consumption or export.

BONDED WAREHOUSE, a warehouse or wharf licensed by the Board of Customs, wherein dutiable goods may be stored, without payment of duty, until their removal by authority of the Custom House or till the duty is paid.

BOND NOTE is a notice to the Custom House authorities that a person and a surety intend to enter into bond for the transfer, removal, or exportation of bonded or transshipment goods. When countersigned by the Customs it serves as an entry for the goods and as a certificate that bond has been given.

BONUS, a gift or present. An extra dividend to the shareholders of a joint-stock company, out of accumulated profits. The portion of accumulated profits allotted to a policy in a life assurance company.

BOOK OF LOADING. See **CARGO BOOK.**

BOTTOMRY is a contract or loan on a ship of the nature of a mortgage; but it differs from other loans and mortgages, inasmuch as the rate of interest is higher, and the security more precarious; for if the ship be lost, neither loan nor interest can be demanded.

BOUNTY, a premium paid by the Government for the export or import of particular articles, or in respect of the production or manufacture of specified commodities, or to persons who employ ships in certain branches of commerce, &c.

BOURSE, the continental name for the money market and stock exchange. See **EXCHANGE.**

BROKER, a person who is employed on commission in negotiating mercantile transactions. See **BILL BROKER, EXCHANGE BROKER, SHIP BROKER, STOCK BROKER, &c.**

BROKERAGE, the remuneration or commission paid to brokers.

BULL, a term used on the Stock Exchange, applied to a person who buys stock in the hope of selling at a higher price.

BULLION, uncoined gold and silver, in bars or other masses. This term, however, is frequently employed to denote the precious metals either in a coined or uncoined state.

BUYING IN. On the Stock Exchange when a broker or jobber cannot deliver stock which he has sold on the appointed day, he renders himself liable to have the stock "bought in" against him, i.e. it is publicly bought at the price of the day by order of the committee, and he is charged with the difference in price. See also **AUCTION.**

CABLE, TELEGRAPHIC, a submarine telegraph wire; also a message sent through the same. The latter is sometimes called a **CABLEGRAM.**

CAMBIST, an obsolete term signifying a person skilled in the business of exchange. It is now frequently used as a title for tables of exchanges.

CAPITAL, the total funds, property, and stock belonging to and used by a merchant or company in carrying on business.

CARGO BOOK, a book kept by the mate or brokers of a trading vessel, containing the marks, numbers, and measurements of the goods taken on board.

CERTIFICATE, a document testifying to the truth of a fact or facts.

CERTIFICATE, BANKRUPT'S, an order of discharge from the Court of Bankruptcy.

CHARTER, a written evidence of some grant or privilege given by the Crown.

CHARTERED COMPANIES are those transacting business under charters granted by letters patent from the Crown.

CHARTER PARTY, a contract executed between the person who hires a ship and the owner, setting forth the terms, &c. A ship is said to be chartered when hired for a voyage.

CHATTELS, all kinds of personal property.

CHEQUE, a draft or order on a banker for the payment of a specified sum of money on demand. *See* page 30.

CIRCULATING MEDIUM. *See* CURRENCY.

CIRCULAR NOTES are notes on demand issued by bankers for the especial use of travellers, and are payable at numerous specified banks on the Continent and elsewhere.

CLASS, as applied to shipping, is the character assigned by Lloyd's surveyors to a vessel with reference to the build, age, &c.

CLEARANCE, the permission granted by the Custom House authorities for the departure of a ship from port, showing that all the formalities required by law have been complied with.

CLEARING is a term applied to the operations which have to be performed at the Custom House before goods can be released from its control.

CLEARING HOUSE (BANKERS'), the building where clerks from the different London banks meet for the purpose of exchanging the drafts on each other's houses, and settling the differences by *transfer tickets* or cheques on the Bank of England, where each of the banks has an account.

CLIENT, in its strict sense, is a person who is represented by a hired counsellor or solicitor; but it is now often used as synonymous with customer.

COCKET, a warrant given on the entry of goods at the Custom House, permitting them to be delivered from the ship.

COLLATERAL SECURITY, an additional and separate security for the performance of an obligation.

COMMERCE, a term applied to trading operations in general, including the interchange of money and commodities. **FOREIGN COMMERCE** is applied to the traffic between different countries.

COMMERCIAL CRISIS, or PANIC, is when a succession of unexpected failures has created in the mercantile, and sometimes also in the non-

mercantile public, a general distrust in each other's solvency; disposing everyone not only to refuse fresh credit, except on very onerous terms, but to call in, if possible, all credit which he has already given.

COMMISSION, a percentage paid to agents or factors for transacting the business of others.

COMMISSIONER, a person authorized by warrant or letters patent to perform certain duties, or exercise certain powers; also, a person appointed by Government to inquire into the condition of certain institutions and working of certain Acts, and to report thereon.

COMMISSIONERS IN BANKRUPTCY, persons appointed to perform the office of judges of the Court of Bankruptcy.

COMMISSION MERCHANT, a person to whom goods are consigned or delivered, and who, in consideration of a certain percentage, sells them for account of another party called his principal.

COMMITTEE, a number of persons duly appointed to consider and report upon any question referred to them.

COMPANY, a society or partnership in trade or commerce.

COMPOSITION, DEED OF, a provision to carry out an arrangement between a debtor and his creditors, when the debtor has prevailed upon his creditors to accept so much in the pound, and to allow a given time for payment. The deed must be registered in the Court of Bankruptcy.

COMPROMISE, the settlement of a difference in which some concessions are made on both sides.

COMPTE SIMULÉ, a copy of the usual charges made on the sale of goods. A *pro formâ* of an account-sale, showing the terms upon which a broker or factor will sell merchandise.

CONSIGNMENT, a parcel of goods sent by ship or railway from one person to another, with instructions to sell the same for account of the sender, who is also called the **CONSIGNOR**. The party to whom the goods are sent is called the **CONSIGNEE**.

CONSOLS is a short title for the Three per Cent. Consolidated Annuities. This stock originated in 1751, when several descriptions that had been previously kept separate were consolidated into one, bearing a uniform rate of interest at 3 per cent. per annum. It forms the most important portion of the public debt. It amounted in March, 1875, to 394,511,673*l.* 16*s.* 5*d.*

CONSUL, an officer appointed by a government to reside in some foreign country, for the purpose of facilitating the trade carried on between that country and the country which appoints him.

CONTANGO, a Stock Exchange term for the consideration paid by the buyer of stock for the privilege of having the delivery of the stock deferred until the following account day, and thereby not being compelled to pay for it at once.

CONTINUATION, OR CARRYING OVER, Stock Exchange terms for the postponement of payment or delivery of stock, bonds, shares, &c., from one account-day to the following. The considerations paid for these privileges are called respectively **CONTANGO** and **BACKWARDIZATION**, which see.

CONTINGENT, IN COMMERCE, is the proportion that falls to the share of a person concerned in any business or adventure.

CONTRABAND, those articles of which the importation or exportation is prohibited.

CONTRACT, a covenant or agreement in writing between two or more persons.

CONTRACT, BROKER'S, a note given by a broker to his principal, stating the particulars of a sale or purchase effected by the former.

CONVOY, ship of war accompanying merchants' ships in time of war in order to protect them from the enemy.

CO-PARTNERSHIP is when two or more persons unite in trade, and agree to participate in the profits or losses, according to their respective shares in the capital.

COUNTER-ORDER, an order sent to revoke a former one.

COUPON, in its general sense, is any memorandum cut from a document. Most bonds for loans, especially those issued by foreign states, have a sheet of warrants attached to them, specifying the amount of interest due at the end of certain equal periods during the currency of the bond. These are called *coupons*, and are cut off and presented for payment as they become due.

COURSE OF EXCHANGE, the fluctuations in the rate of exchange.

CRAFT, lighters, barges, &c.

CREDIT, a term used to express the trust or confidence placed in one individual by another when the latter allows the former the use of some of his capital, that is, either money or property, for a time. The person who allows the use of his capital is said to give credit, and the person who uses it, to obtain credit. The forms by which credit is obtained in the commercial world are numerous, and often exceedingly complicated. The most notable are bills of exchange and accommodation bills; promissory notes, including bank notes; and deposits or advances upon or without security.

CREDIT, LETTER OF, an order given by a banker or other person at one place to enable another person mentioned therein to receive money from their agents in another place. A CIRCULAR LETTER OF CREDIT is one having attached to it a list of the agents or correspondents of the banker, or person issuing it, in the principal cities of the world. They are used by travellers, who are thus enabled to obtain money at the place where they happen to be staying, by drawing a draft on the agent and presenting the letter of credit which the agent endorses with the amount and date. It is not a negotiable instrument, and no one can demand payment or give a valid discharge for the amount except the person named in it, or his agent duly authorized for that purpose.

CREDIT FONCIER, a name given to societies in France who advance money on the security of *landed* property on such terms that the payment of interest and repayment of principal are made by way of an equal annual sum extending over a certain number of years.

CREDIT MOBILIER, a name given to those societies in France which

advance money on the security of movable property, on similar terms as the CREDIT FONCIER.

CREDIT SLIP, a docket containing the particulars of the notes, money, cheques, and bills paid into a bank.

CREDITOR, a person to whom any sum of money is due.

CREDITOR'S ASSIGNEE, a person appointed, with the approval of the Court of Bankruptcy, by a majority in value of the creditors of a bankrupt who have proved their debts. His duties are the same as the OFFICIAL ASSIGNEE's, whom he relieves.

CREDIT SIDE, the right-hand page or side of an account.

CURRENCY is a term used to express the circulating medium of exchange by means of which sales and purchases are effected without the necessity of a recourse to barter. In this country the medium is coined metal (gold, silver, and copper) and bank notes.

CURRENCY OF A BILL OF EXCHANGE is the time it has to run before it matures.

CUSTOMER, a person who has continuous dealings with another, but the term is more especially applied to the purchaser.

CUSTOMS DUTY, the tax or duty charged upon commodities on their being imported into or exported from a country.

CUSTOM HOUSE, an office established by Government in seaports, where commodities are entered for importation or exportation; where the duties, bounties, or drawbacks payable or receivable upon such importation or exportation are paid or received; and where ships are cleared out, &c.

CUSTOM HOUSE BROKER, an agent who transacts business at the Custom House for another party.

DANDY NOTE, a request from the Customs authorities to an officer to deliver to the searchers certain bonded goods for exportation or stores.

DEALER, a person who trades in special articles.

DEBENTURE BOND, RAILWAY, &c., a deed of mortgage for a loan, repayable at a fixed date, executed by a railway company, corporation, &c., whereby they pledge their whole property and revenues as security for the money borrowed, and agree to repay the same at a certain date, allowing interest at a fixed rate on the amount of the bond until such repayment.

DEBENTURE, EXCISE, a certificate authorizing the exporter of certain classes of goods to receive drawback upon the same, he having complied with the regulations entitling him thereto.

DEBENTURE STOCK, the funded debt of a corporation contracted under special Act of Parliament, the interest payable upon which is fixed at a certain rate, and is secured upon the general revenues of the corporation.

DEBT, money owing from one person to another.

DEBTOR, a person owing money.

DEBTOR SIDE, the left-hand side of an account.

DEED, an instrument in writing under seal, comprehending the terms of an agreement.

DEFAULTER, a person who fails to meet a payment when due.

DEL-CREDERE, the charge (over and above commission) made by an agent for guaranteeing the due payment to his principal of any debt which the former may have contracted in transacting the business of the latter.

DELIVERY ORDER, a written request from the owner of commodities, securities, &c., to the holder, to deliver them to another person.

DEMURRAGE, the allowance made by the charterer to the master or owner of a ship for her detention in port longer than the time agreed upon. It is also a customary compensation made to lightermen or other carriers for the undue detention of barges or other conveyances while loading or delivery goods.

DEPOSIT, a sum of money which a person puts in the hands of another as a kind of security for the fulfilment of some agreement, or as a part payment in advance. Moneys resting in a bank are called deposits.

DERELICTS, goods cast away or forsaken, and afterwards recovered. Reductions of Customs duty are made proportionate to the damage done.

DESPATCH, CUSTOMS. When goods under bond are removed from one place to another, a letter of advice, called despatch, containing full particulars of such goods, is sent by the Custom House officer at the place of removal to the officer at the place of destination.

DIRECTOR, a person selected from the whole body of shareholders of a public company, to whom, in conjunction with others similarly elected, is confided the management of the concern. The duties are of a fiduciary nature, the directors being trustees for the benefit of the shareholders.

DISCOUNT, the consideration allowed for the payment of a sum of money before it is due. A security is said to be at a *discount* when its market price is below *PAR*.

DISHONOUR, a term used when bills of exchange are refused acceptance or payment.

DIVIDEND, the sum apportioned to each individual out of a fund distributed among a number of persons *pro ratâ* to their interests therein. (1) The dividend of a public company is the amount apportioned to each share out of the profits, and is usually stated at so much per cent. (2) The part or share allotted to the creditors of a bankrupt out of the realized estate is called the dividend, and is usually stated at so much in the pound. (3) The interest on the public funds is also called the dividend.

DOCK, an enclosure, generally surrounded with bonding warehouses, containing a broad deep trench or basin filled with water for the purpose of harbouring, loading, and discharging ships. The enclosures specially appropriated to the repairs of ships (where the water is run off or pumped out after the ships have entered) are known by the name of *dry docks* or *graving docks*.

DOCK DUES, charges made by the dock companies for the wharfage, &c., of goods.

DOCKET, a small piece of paper or parchment containing a summary or abstract of contents, or directions, attached to documents or parcels of goods.

DOCUMENTARY BILLS are bills of exchange remitted with the documents relating to the shipments against which they are drawn, viz. the bills of lading, invoices, policies, &c. The documents are not delivered up until the bill is accepted or paid.

DRAFT, a written order addressed by one person to another, requesting him to pay to the drawer, or to a third party, a certain sum of money. *See BILL, CHEQUE.*

DRAFT, a deduction allowed by the seller from the original or gross weight of goods; and is subtracted before the tare is taken off. *See TARE, TRETT.*

DRAWBACK, the repayment by the Excise or Customs of duties that have already been paid upon certain articles of commerce, after such articles have been duly exported.

DRAWEE, the person upon whom bills of exchange, cheques, or drafts are drawn.

DRAWER, the person who draws or issues bills of exchange, cheques, or drafts.

DUES, another name for charges.

DUNNAGE, fagots or loose articles of any kind placed in the bottom and against the sides of a ship, in order to raise the cargo and to protect it against leakage.

DUPLICATE, an exact copy or facsimile.

DUTY, CUSTOMS. *See CUSTOMS DUTY.*

EARNEST, in commercial transactions, is the substantial pledge given to fulfil an engagement or contract; the sum advanced by the *buyer* of goods in order to bind the *seller* to the terms of the bargain.

EFFECTS, personal property.

EMBARGO, an order from the Admiralty prohibiting the arrival or departure of a ship or ships, or the loading or unloading of certain goods thereon.

EMPORIUM, a warehouse or magazine appropriated to the reception of merchandise. Also the city or town where an extensive trade or commerce is carried on.

ENDORSEE, or INDORSEE, the person to whom a note or bill is endorsed or assigned by endorsement.

ENDORSEMENT, or INDORSEMENT, that which is written on the back of a note, bill, or other paper.

ENTREPÔT, a warehouse or magazine for the deposit of goods; the French name for a bonded warehouse or magazine.

ENTRY, at the Custom House, is a statement of the particulars of goods either imported or exported. Export entries for free goods are now called *Specifications*; and for drawback or bonded goods, *Shipping Bills*.

ENTRY, BILL OF. *See BILL OF ENTRY.*

ESTATE, in bankruptcy, means the whole of a person's property, whether real or personal, in possession or in reversion.

ESTATE, PERSONAL, a person's goods and chattels, leasehold and copyhold properties, funds, shares, &c., in fact everything not comprised under **REAL ESTATE**.

ESTATE, REAL, the title or interest which a person has in freehold lands, tenements, and hereditaments.

ESTIMATE, the approximate calculation to the value of anything.

EXCHANGE, the building or place where merchants, brokers, and others of a city meet to confer upon and transact business at certain hours.

EXCHANGE, in commerce, is used to designate that species of mercantile transactions by which the foreign trade of a country (both imports and exports) is carried on without the transmission of coined money. This is done by means of bills of exchange.

EXCHANGE, ARBITRATION OF, is used to denote that process by which the debtors in *one country* are enabled to pay the creditors in *another country*, by transferring to them the debts due from individuals of a *third country* to creditors in the *first country*. This is done by the operation of foreign bills of exchange.

EXCHANGE BROKER, a dealer in foreign bills of exchange.

EXCHANGE, COURSE OF, the current price of money or bills between two countries, estimated in relation to their par value.

EXCHANGE, PAR OF, is the expression of the relative value of the coins of two countries estimated at our Mint standard price.

EXCHEQUER BILLS are bills issued under the authority of Parliament for sums varying from 100*l.* to 1000*l.*, bearing interest at so much per day. The holders have an option periodically given them (generally one year from the date of issue) to be paid the amount at par, or to exchange them for new bills. They are payable to bearer, and consequently pass from hand to hand without a necessity of a formal transfer. On the 31st of March, 1875, they amounted to 4,239,300*l.*

EXCHEQUER BONDS, a portion of the national debt. They are issued for a limited number of years, redeemable at par at the end of the period, and bear a certain rate of interest per annum. The first issue was in 1853, terminable on the 1st September, 1894, at the option of the holder or of the Commissioners of Her Majesty's Treasury, as named in the Bond. They bear 2½ per cent. interest, and amount to 418,300*l.* The above are classed with the funded debt; but another series, created 24th March, 1875, and payable 24th March, 1878, bearing interest at 3½ per cent., and amounting to 1,000,000*l.*, are classed with the unfunded debt.

EXCISE, an inland tax, levied upon various commodities.

EX-OFFICIO, by virtue of office; officially.

EX-PARTE, a one-sided account, as an *ex-parte* statement.

EXPORTATION, the act of sending goods out of one country into another.

EXPORTS, articles exported from a country.

FACTOR, in commerce, is an agent residing in a distant place, employed by a merchant to buy and sell goods and transact business on commission.

FACTORAGE, the allowance, commission, or wages given by a merchant to his agent or factor.

FACTORY, an establishment in a foreign country, where factors, merchants, and traders carry on business with the natives of the place. It is also used as synonymous with *Manufactory*, of which it is a contraction.

FAILURE, the inability of a merchant or trader to carry on his business.

FAVOUR, a term sometimes used to express in a polite way a letter received from a correspondent.

FELLOWSHIP is when two or more individuals join their capital and trade together, dividing their gain or loss proportionately; it may be with or without time.

FINANCE, a term applied to the system of raising supplies for defraying the expenses of Government. This is done by means of duties and taxes, &c., comprised under the general term of State revenues, and sometimes by loans which have to be paid by means of future taxation. It is now applied to any system of raising money.

FINANCIAL AGENT, a person employed by a Government, British or foreign, to raise loans, pay dividends, &c.

FINANCIER, originally meant a person who had performed the functions of a finance minister, or one skilled in the principles and system of public revenue; but it is now used to denote generally a person who raises capital for any purpose whatever, or manages the revenue of a corporation.

FIRM, the name or title under which a merchant, or partnership of merchants, or company, transacts business.

FLOATING DEBT, consists of those debts of a state, company, or association represented by negotiable documents, payable at limited periods.

FLOATING POLICY. See **OPEN POLICY**.

FLOTSAM, JETSAM, and LAGAN. These expressions are used to denote the state or condition in which goods saved from a wreck are found at sea. **FLOTSAM** is where the goods are floating; **JETSAM** is where they are sunk; and **LAGAN** is where they are tied to a cork or buoy.

FLUCTUATION, a term used to express the rise and fall in the price of commodities or stocks.

FOLIO, a page; or more generally both the right and left hand pages, comprising an *opening*, of an account book, both pages being numbered alike.

FORECLOSURE, a legal process by which a mortgagor, failing to repay the money lent on the security of an estate, is compelled to forfeit his right to redeem the estate.

FREE TRADE, a term applied to the traffic in those commodities upon which no import or export duties are imposed.

FREIGHT. 1st. The hire of the whole or portion of a ship for the transport of merchandise. 2nd. The merchandise a ship carries. 3rd. The money paid for the transport of merchandise by a ship.

FREIGHT NOTE, a statement of the amount to be paid by the shipper for the transport of his goods by a ship.

FREIGHT RELEASE. On the arrival of a vessel, the owners, in order to secure the freight, often find it necessary to oblige the proprietors of the different warehouses where the cargo has been deposited to deliver the goods only upon the production of an authority signed by them. This authority is called a freight release, and shows that the freight or part of it has been paid, and that the goods may be delivered.

FULLY-PAID SCRIP, scrip upon which all the instalments have been paid.

FULLY-PAID SHARES, shares upon which the full amount has been paid.

FUND, a stock or capital; the total available property of an individual or company.

FUNDING SYSTEM, is the process of creating a perpetual charge on general revenue, generally in lieu of an old charge for a limited period.

FUNDS, PUBLIC, the name given to the public funded debt of the nation. The term is a misnomer, since there are in reality no "Funds" in existence. The funded debt is a *perpetual annuity*, and the amount stated to be the funded debt is the present value of the perpetuities estimated at their respective rates of interest. They consist of Consols, Reduced Three per Cents., New Three per Cents., New Two-and-Half per Cents., New Three-and-Half per Cents., the debts due to the Bank of England and Ireland, and the Exchequer Bonds created in 1853.

GARBLE, the dust, dross, and refuse of spice and drugs.

GARBLING, picking out the worst of any commodity.

GAUGE, the measurement of the capacity of a cask or vessel.

GAUGER, a person employed by the Customs or Excise to measure casks, bottles, &c., containing excisable liquids or other commodities.

GAZETTE, a paper published by Government, containing, among other things, notices of the dissolution of partnerships, commissions of bankruptcy, &c.

GENERAL AVERAGE. See **AVERAGE.**

GRACE, DAYS OF, the days allowed for the payment of a bill of exchange after its term has expired. The number of days varies according to the custom of the country where the bill is payable. In Great Britain three days of grace are allowed on every bill drawn for a term.

GREEN-BACKS, a name given to the United States paper currency.

GROSS WEIGHT, the whole weight of goods, including bags, dust, dross, &c.

GROUNDAGE, a small duty payable in certain ports by ships coming to anchor.

GUARANTEE, OR GUARANTY, is an undertaking or engagement by a third person or party to see that the stipulations of a contract or agreement are performed.

GUARANTEE FUND, is an account intermediary between the profit and loss and stock accounts, formed in the times of exceptional prosperity to provide against exceptional losses in the future. By a properly regulated guarantee fund, the divisible profit of a concern ought never to recede from year to year.

GUARANTOR, one who binds himself to see that the stipulations of another are performed.

GUILD, or **GILD**, a company of merchants associated for the purpose of carrying on or protecting the trade in a particular commodity.

HALAGE, money paid for haling, drawing, or carrying goods to or from ships.

HABBOUR, **HAVEN**, or **PORT**, a piece of water communicating with the sea, or with a navigable river or lake, having depth sufficient to float ships of considerable burden, where there is convenient anchorage, and where ships may lie, load, and unload in safety.

HOME CONSUMPTION, a term applied by the Customs to denote those commodities which are to be used or consumed in this country.

HONOUR. To honour a bill is to pay it when due. An acceptance or payment for honour is a term used to denote that a second party (usually a friend of the drawer or endorser) accepts or pays a bill of exchange which has been refused by the drawee, out of respect or according to the instructions of the drawer, thereby protecting his honour and preventing the charges connected with the return of the bill.

HOUSE LIST, of the Bank of England, is a term applied to the list of persons whom the existing board of directors recommend for appointment to the direction at the next election.

HYPOTHECATION, the act of pledging for a debt without parting with the immediate possession of the security; thus, it is customary for merchants to obtain advances on their shipments by handing over the bills of lading and other documents.

IMPORTATION, the act of bringing goods into a country from foreign parts.

IMPOST, any tax or duty levied by authority, but particularly a tax on imported goods.

INDEMNITY, a security or pledge given by one person to hold harmless another from loss or responsibility in any particular event.

INDENT, is a list of goods to be purchased by one merchant for account of another.

INDENTURE, a deed containing a contract having the top cut or *indented*.

INDORSEMENT. See **ENDORSEMENT**.

INGROSS, to buy up the whole or large part of a commodity in the market, with a view to raise the price and then to sell again.

INSOLVENCY, a term used to designate the condition of an **INSOLVENT**.

INSOLVENT, a person not possessed of sufficient capital to meet his debts; in other words, a person whose assets are less than his liabilities.

INSTALMENT, the term applied to the parts of a large sum of money which are paid or to be paid at different times.

INSURANCE, or **ASSURANCE**, is of two distinct kinds. Fire and marine insurances are contracts of indemnity by which one party, called the **INSURER**, **ASSURER**, or **UNDERWRITER** agrees, in consideration of a stipulated sum, called the **PREMIUM**, to indemnify another party, called the **INSURED**,

against loss or damage to property or goods by fire or sea, according to the terms of the contract. LIFE ASSURANCE or INSURANCE is a contract by which one party, the INSURER or ASSURER, agrees to pay a certain absolute sum upon the happening of a particular event contingent upon the duration of human life, in consideration of the immediate payment of a smaller sum or certain equivalent periodical payments (called the PREMIUM), by another, called the ASSURED or INSURED. The person upon whose life the payments are dependent is called the LIFE ASSURED or INSURED. The paper or parchment evidencing the contract in either case is called a POLICY. It is customary now to apply the term INSURANCE to fire and marine risks; and ASSURANCE to life risks.

INSURANCE BROKER, an agent employed to effect insurances at Lloyd's and elsewhere, on ships, cargoes, &c.

INTEREST, the consideration paid for the use or loan of money.

INVENTORY, a catalogue or enumeration of any goods, debts, or effects.

INVESTMENT, the laying out of money in the purchase of property, usually of a permanent nature, for the purpose of gaining an advantage therefrom. The term is mostly applied to the purchase of bonds, shares, &c., with a view to the holder receiving an income from the interest or dividends.

INVOICE, an account of goods or merchandise sent by merchants to their correspondents at home or abroad, in which the marks of each package, with other particulars, are set forth. See page 24.

IRISH FUNDS, the permanent debt of Ireland. The total amount of the debt (in 1875) is 36,027,732*l.* 0*s.* 9*d.*, made up of the following stocks:—*New Two-and-a-Half per Cent. Annuities*, 2,330*l.*; *Consolidated Three per Cent. Annuities*, 5,384,499*l.* 16*s.* 7*d.*; *Reduced Three per Cent. Annuities*, 139,287*l.* 18*s.* 8*d.*; *New Three per Cent. Annuities*, 27,870,845*l.* 0*s.* 10*d.*; and *Debt due to the Bank of Ireland*, 2,630,769*l.* 4*s.* 8*d.*

ISSUE DEPARTMENT OF THE BANK OF ENGLAND, that department of the Bank constituted for the issue of bank notes and the regulation of their amount. It is quite separate from the banking department. It is constituted by having appropriated to it securities to the value of fourteen millions, of which the debt due by the Government to the Bank is to be deemed a part. Against this the Bank can issue notes to any sum not exceeding fourteen millions; and the Bank is not allowed to issue notes beyond that amount except in exchange for other Bank of England notes or for gold coin, or for gold or silver bullion received or purchased for the issue department, or in exchange for securities acquired and taken in that department.

JERQUING, of a ship, is a search performed by an officer of the Customs (called a jerquer) after she is unloaded, to see if there are any unentered goods concealed.

JETSAM. See FLOTSAM.

JETTISON, the act of throwing goods overboard in a case of great peril, to lighten a vessel.

JOINT STOCK, a partnership fund.

JOINT-STOCK COMPANY, a company or corporation of not less than seven individuals associated together by a deed of settlement, and established under the authority of some Act of Parliament, for the purpose of carrying on trade or business with a view to profit. The capital is divided into a certain number of shares of equal amount, and each person forming the company has an interest in the concern in proportion to the number of shares which he holds. The company is managed by a board of directors appointed by the shareholders, each director being obliged to hold a certain number of shares. These companies are now regulated by the Act 25 & 26 Vict. c. 89.

KENTLEDGE, ballast of a ship, in the form of pig-iron.

LAGAN. See FLOTSAM.

LAME DUCK, a term used on the Stock Exchange to denote a defaulter.

LAND WAITER, or SEARCHER, a Custom House officer, whose duty it is to take account of goods imported.

LASTAGE, the ballast or lading of a ship.

LEAKAGE, an allowance made by the Customs to importers of wines, spirits, &c., for the waste such goods are supposed to receive by keeping.

LEDGER, the principal book of accounts kept by merchants and tradesmen, wherein every account is placed by itself, after being extracted from the journal and other books. See page 47.

LEGAL QUAY, a licensed wharf situated within 1000 yards of the Custom House, where bonded goods are permitted to be landed and stored.

LETTER (OF POWER) OF ATTORNEY, a writing or deed executed by one party authorizing another to perform any act or deed in his stead and on his behalf.

LETTER OF CREDIT, a letter from one person to another requesting him to place a certain sum of money at the disposal of a third party.

LETTER OF LICENCE, a deed or instrument executed by the creditors of an insolvent trader giving him time to pay, and in the meantime permitting him to carry on his business under surveillance.

LETTERS OF MARQUE, or MART, are commissions granted to captains of ships and others, in time of war, to make reprisals on the ships of the enemy.

LETTERS PATENT, a privilege from the Crown, conveying to the individual or individuals specified therein the sole right to make, use, or dispose of some new invention or discovery for a certain specified period; this term is also applied to the deed or writing by which the Sovereign authorizes a person or persons to do some act or fill some office.

LIABILITIES, all the pecuniary obligations of an individual or corporation.

LICENCE, a permission granted by Government to carry on a certain trade or business, or exercise a certain calling, for which privilege a duty is paid.

LIEN, a claim on, or attachment of, any property which a person has in his possession, for a debt due to him from the owner of the property.

LIGHTER, a boat used in loading and unloading ships.

LIGHTERAGE, the money paid for the conveyance of goods by lighter.

LIGHTERMAN, a person whose business it is to convey goods to or from a ship in a lighter or barge.

LIMITED LIABILITY, is applied to companies established under Acts of Parliament 18 & 19 Vict. cap. 133, and 25 & 26 Vict. cap. 89, by which the liability of the members may, according to the memorandum and articles of association, be limited either to the amount, if any, unpaid on the shares respectively held by them, or to such amount as the members may respectively undertake by the memorandum and articles of association to contribute to the assets of the company in the event of its being wound up.

LIQUIDATION, the settlement or winding up of the affairs of a trader or company after a business has been discontinued.

LISTED. When a ship arrives at any port she is "listed," that is, announced in the Shipping or Lloyd's List.

LLOYD'S, an association of underwriters, having rooms on the first-floor of the Royal Exchange, London. Here the greater part of the marine insurance business of London is transacted, and shipping casualties, arrivals and departures of vessels, &c., are registered.

LLOYD'S BONDS, a species of bonds introduced by Mr. John Horatio Lloyd, the eminent barrister, representing a debt due by a railway or other company to a contractor who has executed works for them.

LLOYD'S LIST, a list published daily under the authority of Lloyd's, containing the foreign and home arrivals and departures of vessels, and giving general shipping intelligence.

LLOYD'S REGISTER OF SHIPPING, a book containing a list of ships registered at Lloyd's, and specifying their tonnage, classification, captain, place where built, age, &c. This volume is published annually, for the use of merchants, and the information is supplied by Lloyd's agents at the different ports.

LOAN, anything lent by one person to another to be returned at a future date. In commerce it is applied only to the lending of money for a stated or indefinite period, and for the use of which a consideration is paid called interest.

LOANS, FOREIGN, are loans raised by foreign Governments, and offered for subscription in England.

LOCKERS ORDER, an order from the Custom House for the delivery of bonded goods.

LOT, a portion or parcel of goods arranged for convenience of sale by auction.

MAKING-UP DAYS, the days appointed by the Stock Exchange for the arranging and balancing of transactions made during the ACCOUNT. They are generally the two days previous to the settling day.

MAKING-UP PRICES, are prices fixed by the Committee of the Stock

Exchange before every settling day, in order to enable the brokers and jobbers to balance their transactions in certain stocks at a fixed price.

MANIFEST, a list of a ship's cargo, containing the marks and numbers of the packages, the names of the shippers and consignees, the account of the freight receivable on arrival, and such other particulars as may be considered necessary. In reporting and clearing a ship a manifest of the cargo signed by the captain must be furnished to the Customs.

MANUFACTURE, a commodity produced by labour or machinery from any raw material.

MARKET, a place where goods are bought and sold. In London the most important markets for special commodities are the *Corn Exchange*, the *Coal Exchange*, the *Commercial Sale Rooms* for colonial produce, the *Baltic* for Russian produce, &c., the *Wool Exchange*, the *Stock Exchange* for stocks and shares, and the *Mart* for sales of estates, &c., by auction.

MART, a market, fair, or other place of public trade.

MASTER of a ship is the captain.

MATE, or Chief Officer, is the second person in command on board a merchant vessel, and undertakes the navigation in the absence of the captain. When a vessel is loading or discharging cargo, it is the mate's duty to take particulars of all goods received or delivered.

MATE'S RECEIPT, a receipt given by the mate or master of a ship for goods taken on board. A mate's receipt is only provisional, and must be delivered to the owners or captain before bills of lading can be signed.

MATURITY, the expiration of the time specified in any documents, such as bills of exchange, contracts, agreements, &c.

MERCHANDISE, any commodity which is bought or sold.

MERCHANT, a person who deals or traffics in a large way on his own account.

METAGE, charge for measuring.

MINT, the Government establishment where money is coined.

MINUTE, an official memorandum or record of proceedings.

MONOPOLY, an exclusive privilege granted to an individual or corporation. The term is also sometimes applied to the case where one or more individuals have managed to get the whole trade in a particular commodity into their own hands, when they are said to have a monopoly of that trade.

MORTGAGE, the pledging of property as security for money borrowed. The borrower is called the *mortgagor*, and the lender the *mortgagee*.

MORTGAGE BONDS. See **DEBENTURE BONDS**.

NATIONAL DEBT, the total indebtedness of the Government of the nation. On the 31st March, 1875, it amounted to a capital sum of 720,037,015*l.* 9*s.* 1*d.*, and annuities of 5,374,257*l.* 0*s.* 9*d.* per annum. See **FUNDS, PUBLIC**.

NAVY BILLS. See **BILLS, NAVY**.

NEED, IN CASE OF. When A. B., the drawer, or one of the endorsers of a bill of exchange, does not wish it to be returned in case of non-payment, he writes on the face of the bill "*in need with C. D.*" (his agent or client

at the place where the drawee resides); which means that, should the drawee fail to pay the bill, C. D. will pay it for account or honour of A. B.

NET PROCEEDS, the amount or sum which goods produce after every necessary deduction is made. See **ACCOUNT SALES**, page 85.

NET WEIGHT, the clear weight of any commodity without its package, and after all deductions for waste or draft have been allowed.

NEW THREE-AND-A-HALF PER CENT. ANNUITIES, is a portion of the public debt created in 1853. The stock in 1875 stood at 225,746*l.* 6*s.* 4*d.* only. These are not subject to redemption till after the 5th January, 1894.

NEW THREE PER CENT. ANNUITIES, commonly known as *New Threes*, is a portion of the public debt, and had its origin in 1830 by the conversion of the New Four per Cents. into New Three-and-a-Half per Cents. and New Five per Cents., the holders having the option of receiving 100*l.* of the Three-and-a-Half per Cents., or 70*l.* of the Five per Cents., or of being paid off at par. In 1844 the rate of interest was reduced to $3\frac{1}{2}$ per cent., and the stock consolidated with several others, amounting to 248,860,663*l.* The amount of stock paid to dissentients was 103,352*l.*, leaving the capital stock at 248,757,311*l.* In 1854 the rate of interest was further reduced to 3 per cent., and was not liable to be further reduced for twenty years. The stock amounted to, in March 1875, 207,265,109*l.* 13*s.* 2*d.*

NEW TWO-AND-A-HALF PER CENT. ANNUITIES, a portion of the public debt, created in 1853. In March, 1875, they amounted to 3,794,409*l.* 3*s.* 9*d.* They are subject to redemption after 5th January, 1894.

NONCLAIM, is where a creditor of a bankrupt neglects to make his claim within a proper time, in which case he cannot enforce his demand.

NOTARY PUBLIC, a person duly appointed to attest deeds and other writings; also to note and protest bills of exchange and other documents when refused or returned.

NOTE, a memorandum of any business transaction; it is sometimes used as an abbreviation for bank note, promissory note, &c.

NOTING, the legal record made by a notary when he is referred to in the case of non-acceptance or non-payment of a bill of exchange.

OBLIGATION, a bond or contract containing a penalty on failure to comply with its conditions. The person executing such a bond is called the *obligor*, and the person on whose behalf the bond is executed is termed the *obligee*. It is also the foreign name for Bond.

OFFICIAL ASSIGNEE, an officer of the Bankruptcy Court, appointed by the Court to act for the bankrupt. His duties are to receive all the property of the bankrupt and administer it among the creditors until the appointment of the creditors' assignee, to whom he transfers the estate, with a full and particular account of his transactions.

OMNIUM, a term used on the Stock Exchange to express the aggregate value of the different stocks in which a loan is funded.

ON 'CHANGE, a corruption of "On the Exchange," i. e. the market where bills of exchange are bought and sold.

OPEN OR FLOATING POLICY, a policy of marine insurance effected for a certain sum upon goods, the particulars of which are not mentioned.

OPTIONS, a Stock Exchange term, applied to a system of speculating by which a person can purchase the privilege of buying or selling a certain stock at a stated price for delivery at a fixed date. The privilege of selling or delivering is termed a *Put*; and of buying or taking, a *Call*.

ORDER, a command to buy, sell, or deliver goods or commodities, or to pay or receive money.

ORPHAN DUES, a tax collected by the City of London on the importation of wine.

OVER-INSURANCE. When goods have been insured for too great an amount they are said to be over-insured. In this case the premium paid on the excess sum is returnable.

OVERSIDE PASS, an authority from the owners or brokers of a vessel to deliver goods over the side into lighters.

PANIC. See **COMMERCIAL CRISIS**.

PAR, when applied to quotations of securities, means the nominal value as compared with the market value. Thus, when the public funds, the nominal value of which is 100*l.*, are quoted at 95, they are said to be 5 per cent. discount, or *below par*; and if they were quoted at 105 they would be said to be 5 per cent. premium, or *above par*.

PAR OF EXCHANGE. See **EXCHANGE, PAR OF**.

PARCEL, a term indifferently applied to small packages of wares and to large lots of goods. In the latter sense, 12 hhds. of sugar or more, if bought at one price, in a single lot, are denominated a "parcel of sugar."

PARCELS, BILL OF, an inventory of goods given by the seller to the buyer. See **INVOICE**, and page 24.

PARTICULAR AVERAGE. See **AVERAGE, PARTICULAR**.

PARTNERSHIP, an association of two or more individuals for carrying on some business or undertaking, each deriving a certain share of the profits, and bearing a corresponding share of the losses.

PASS BOOK, a book kept by bankers, dock companies, &c., for the use and convenience of their customers; it contains a record of the daily transactions between them, and is passed from one to the other as occasion requires.

PATENT. See **LETTERS PATENT**.

PER APPOINT, an expression used to denote that a transaction is brought to a settlement.

PERILS OF THE SEA, in marine insurance, are the misfortunes and dangers which a vessel occasionally meets with on a voyage, and which the insurer by his policy agrees to cover. They are, of the seas, men-of-war, fire, enemies, pirates, rovers, thieves, jettisons, letters of marque, and counter-marque, surprisals, takings at sea, direct restraints and detentions of all kings, princes, and people of what nation, condition, or quality soever, barratry of the master and mariners, and of all other perils, losses, and misfortunes that have or shall come to the hurt, detriment, or damage of the goods and merchandises, and ship or vessel, &c., or any part thereof.

PERMIT, a document issued by the Inland Revenue, allowing the removal of goods subject to Excise duties.

PILOT, a person who takes a ship from or into a port.

PILOTAGE, money paid for piloting a ship.

POLICY, a stamped document containing the particulars and terms of a contract of insurance.

PORT, harbour where ships load and discharge.

PORTAGE, money paid for sailors' wages while in port.

PORTERAGE, the consideration paid to porters for carrying goods.

PORT SALE, a sale of goods upon the quay as soon as they arrive.

POSTAL UNION, a treaty concluded at Berne, on the 9th October, 1874, between the following countries, who agreed, from 1st July, 1875, to transmit, from one to another, letters at the rate of 2½d. per half-ounce, and post-cards at the rate of 1½d. each. The countries forming the union are Austro-Hungary, Belgium, Denmark, France, Egypt, Germany, Great Britain, Greece, Italy, Luxemburg, the Netherlands, Norway, Portugal, Roumania, Russia, Servia, Spain, Sweden, Switzerland, Turkey, and the United States; but as regards France the treaty does not take effect until 1st January, 1876.

POST DAYS, certain days in the week when exchanges are fixed—Tuesdays and Fridays in London.

POST ENTRY, an additional entry made by a merchant at the Custom House, when the first entry that he made was found to be insufficient.

POWER OF ATTORNEY. See **LETTER OF ATTORNEY**.

PRE-EMPTION, the right of buying before others.

PREFERENCE SHARES, those shares of a joint-stock company which have a prior claim to dividend over the ordinary shares. The latter generally receive no share of the profits until a dividend at a certain stipulated rate has been paid on the former.

PREMIUM, the money or percentage paid for an insurance. It is also applied to quotations of securities when the price is above par. See **PAR**.

PRICE CURRENT, a list containing the current market prices of certain classes of commodities.

PRICKING NOTE, an authority from the Customs to the chief officer or master of a ship to receive on board bonded or drawback goods which have been duly cleared for exportation, stores, &c.; it contains a receipt for the goods, which the mate has to sign.

PRIMAGE, a percentage on the freight charged in respect of goods carried by a ship, and allowed to the master or the person engaging the freight.

PRINCIPAL, a capital sum of money lent out on interest. The head or chief partner of a house of business. The person employing a broker or agent to do business for him.

PROCEEDS, the net amount realized by the sale of merchandise.

PROCURATION, a power given by a merchant to his clerk or agent to endorse or accept bills or otherwise execute documents on his behalf.

In such case the person empowered to do so signs "*per pro (name of firm)*", followed by his signature.

PRODUCE, any commodity of a country, grown and cultivated therein for the purposes of commerce. Thus, *wool* is a produce of Australia; *sugar*, that of the West Indies, &c.

PRO FORMA, a specimen account, showing the probable monetary result of any intended transaction. Thus, an account sales is said to be *pro formâ* when it is made out merely for the purpose of showing the probable net proceeds if the goods were sold at a specified time and place.

PROHIBITED GOODS, merchandise prohibited by law to be imported into the country.

PROHIBITORY DUTY, a duty so heavy as to discourage the competition of foreign trade.

PROMPT, the expiration of the time allowed to a buyer for payment of goods sold to him.

PROTECT, when applied to bills of exchange and drafts, denotes that the same shall be duly provided for at maturity.

PROTECTION, a term applied to the prohibition, or the discouragement by heavy duties, of such foreign commodities as are capable of being produced at home.

PROTEST, the declaration made by a notary public when a bill of exchange is referred to him, in the case of its non-acceptance or non-payment. It is also applied to the written statement of the captain of a vessel of the circumstances connected with the loss of, or damage to, his ship.

PROXY, a person duly appointed by another to act for him in some special case—such as voting at an election, &c. This term is also applied to the document by which the agent is deputed.

PUT and CALL. See OPTIONS.

QUARANTINE, the time during which a ship on arriving off a port is forced to keep from all intercourse with the shore, when she is suspected of having an infectious disease on board.

QUAY, a landing-place or wharf for loading and discharging ships.

QUEEN'S WAREHOUSE, a warehouse under the entire control of the Customs, where all abandoned, lost, seized, and confiscated goods are stored. It is occasionally used as a baggage warehouse.

QUOTATION, the market price of, or price offered for, any commodity or security.

RACKING, drawing off wines, spirits, &c., from vats, &c., into smaller casks.

REALIZE, to convert a commodity into money by sale.

REASSURANCE or REINSTRANCE, the transfer of the whole or part of a risk from one insurance company or underwriter to another. Thus, when insurance offices or underwriters have taken a risk for a greater amount than they like to retain, or are desirous of disposing of it altogether, they reinsure, that is, induce another office or underwriter to accept the amount of risk they wish to transfer.

REBATE, a discount or allowance of so much per cent. on the price of commodities.

RECEIPT, a written acknowledgment of having received a sum of money or goods.

RECEIVER, an agent appointed by the Court of Chancery, by deed or by power of attorney, to receive the revenues and pay the debts of an estate against which a suit is pending.

RECIPROCAL DUTY, a duty imposed upon certain exports or imports by a treaty between two nations. The duties so imposed by the two governments, as between each other, are supposed to be equitable and fair, and of equal advantage to both.

REDUCED THREE PER CENT. ANNUITIES, commonly known as **REDUCED THREES**, is a portion of the National Debt, and was formed at the same time as the **CONSOLS** in 1751, and in a similar way. In March 1875 the amount of stock stood at 94,896,607*l.* 4*s.* 9*d.*

RE-EXCHANGE, a second price of exchange incurred by the return of a bill of exchange for non-acceptance or non-payment. Thus, when a merchant receives a remittance from his correspondent which is not accepted or paid, he charges him with re-exchange, that is, the loss he would sustain by borrowing the money or drawing another bill on his correspondent in order to place himself in funds.

REGISTERED BONDS are those which are registered in the name of their owner in the books of the company or state issuing them. This is done for security against loss of the bond.

REGISTERED LETTER, a letter which, on account of a valuable enclosure, has been registered at the Post Office, in order to secure special care in its transmission.

REGISTRATION, the act of recording in a book kept for the purpose the particulars of any transactions likely to be afterwards referred to.

REGISTRY, in commercial navigation, is the registration or enrolment, by the proper officers of the Customs, of the name, owners, tonnage, and other particulars of a British-owned vessel. The *Certificate of Registry* granted to the master on the registration of a ship entitles her to the privileges of a British vessel.

REGRATING, buying provisions and selling them again in the same market.

REMITTANCE, a sum of money, generally in the shape of a draft, sent from one person or firm to another.

RENEWAL OF A BILL, an extension of time granted by the holder to the acceptor of a bill. In such a case the acceptor usually grants another bill to run for a further specified time, and should this second bill not be paid at maturity the holder can claim on the first.

REPORT, an account, with a declaration attached, which the master of a ship arriving from parts beyond the seas is required by law to furnish to the Customs; it contains the marks and number of the packages on board, the places where they were shipped, and the contents to the best of the master's knowledge; a list of such goods as are intended

for immediate exportation, &c. It is generally accompanied by the ship's manifest. A master of a vessel is not allowed to break bulk before he has duly made his report.

RESPONDENTIA BOND, a bond for the security of which the cargo of a ship is mortgaged. Like a *Bottomry Bond*, repayment cannot be claimed if the ship never arrives.

REST, an item in the published accounts of the Bank of England. It consists of the deposits of merchants, traders, and others, who have drawing accounts there.

RETIREMENT OF BILLS OF EXCHANGE, is paying them before they are due, or under discount.

REVERSION, the right to some payment, property, or benefit, the enjoyment of which is to commence at some future period, or upon the happening of a certain event, and is to continue either for ever or during a term either fixed or depending upon a contingency.

RISK, the value of the probability of the happening or failing of an event. In mercantile language, it is applied to the chance of loss of property or goods by fire or sea.

ROLLING STOCK, the locomotives, carriages and trucks of a railway company.

RUNNING DOWN CLAUSE, a clause sometimes attached to a policy of marine insurance, which stipulates that if the ship come into collision with another vessel, and should be liable to pay for injuries to such other vessel, the insurer or underwriter will only pay in proportion of three-fourths of the sum insured.

SALVAGE, the money paid by the owner or insurer of a ship or cargo to persons who have been instrumental in saving it from danger, such as of the sea, fire, or enemy.

SAMPLE, a small quantity of a commodity exhibited as a specimen of its quality.

SCHEDULE, a list: a statement of the particulars and values of articles or accounts, assets or liabilities.

SCRIP, a corruption of the word subscription. It is the name given to the document containing the receipts for the instalments of a public loan as they fall due. This security is dealt in and quoted on the Stock Exchange. When all the instalments of the loan are paid up, the scrip is exchanged for the definitive bonds or certificates, as the case might be.

SEARCHER, a Custom House officer appointed to inspect and report upon bonded and other goods on board an outward-bound vessel.

SEAWORTHY. A vessel is said to be seaworthy when she is in every respect fitted for her destined voyage, and rendered, as far as possible, secure against the perils of the sea.

SECURITY, the deeds or documents representing the title to some loan or investment. It is, however, sometimes applied to the investments themselves.

SECURITY, PERSONAL, is where a person gives or joins in a bond for the

payment of a certain sum of money, either at a certain time or on the happening of a certain event.

SEQUESTRATION FOR DEBT, the Scotch legal term for the adjudication of bankruptcy.

SETTLING DAYS, the days appointed by the Stock Exchange Committee for the settlement or payment of all transactions made *for the account* (which see). They are fixed twice a month for general business.

SHARES, are the numerous equal portions or lots into which the capital of a joint-stock enterprise is divided. They are represented by a certificate issued by the company, stating that such and such a person (mentioning his name in full) is entitled to so many shares in the company. These certificates are bought and sold on the Stock Exchange and elsewhere, and are transferable (in Great Britain) by deed duly registered in the books of the company.

SHAREBROKER. See **STOCKBROKER**.

SHAREHOLDER, the owner of shares in a joint-stock enterprise.

SHIPBROKER, a person who makes it his business to procure cargoes on freight, buy and sell ships, adjust the terms of charter-parties, and to do everything needful for the proper equipment and loading of a ship for account of another party.

SHIP'S HUSBAND, the owner or part owner of a vessel, who manages its affairs.

SHIPPING BILL, a paper furnished by the exporter to the Custom House authorities, containing the particulars and value of bonded and drawback goods shipped by him.

SHORT BILLS are bills of exchange which have only a short time to run, or mature.

SHORT EXCHANGE, exchange drawn for small periods, such as on demand, three days' sight, &c.

SHORT INTEREST, risk covered by insurance, but which has not been run. For example, when an insurance is effected for a certain amount of goods intended to be shipped on a certain vessel, and from some cause or other only a portion of the said goods is put on board, the underwriters return the premium paid on the goods not shipped; in other words, for the risk not incurred. This is technically termed a return for short interest.

SINKING FUND, a fund formed by the periodical investment of certain sums out of revenue for the repayment of some loan or debt. The term is now applied to any arrangement for the repayment of a loan by periodical instalments.

SLEEPING PARTNER, a member of a house of business who furnishes capital, but does not take any active part in the affairs of the concern.

SMUGGLING, the offence of defrauding the revenue by the introduction of articles into consumption without paying the duties chargeable upon them. It may be committed indifferently either upon the Excise or Customs revenue.

SOLVENT, the condition of a person in trade who is able to pay his debts.

SPECIE, coin, as distinguished from paper money.

STAG, a dealer in stocks and shares who is not a member of the Stock Exchange.

SPECIFICATION, CUSTOMS, a paper which an exporter is required by law to furnish within six days after clearance of the ship to the Custom House authorities. It contains name of ship, port, marks, numbers, and certain specified particulars and values of all free and duty-paid goods shipped by him on board the vessel.

STAPLE, the name given to the chief product of a town or country. The towns where such are mostly sold are sometimes, though rarely, called **STAPLE TOWNS**.

STERLING, a word applied to all lawful money of Great Britain.

STEVEDORE, a person whose occupation is to load and unload vessels in port.

STIFFENING ORDER (Custom House), the permission for lading goods by way of ballast. It is only granted in the event of the safety of the ship requiring it.

STOCK (as distinguished from Shares) is a term applied to the fully paid-up capital of a railway or trading company, the Bank of England, &c., which is not divided into shares of equal amount, but any quantity of which may be held by any one individual, as in the Public Funds. The dividends are paid out of the surplus profit left after all prior claims have been paid. There are sometimes different kinds of stock in the same company, such as Ordinary Stock, Preference Stock, Stock A, Stock B, &c. When such is the case one class of stock has generally a prior claim to dividend over another. The word Stock is also applied to the whole capital (either in cash, goods, or any other securities) used in trade by a merchant. In book-keeping, it is synonymous with the merchant himself.

STOCKBROKER, a person, generally a member of the Stock Exchange, whose business is to buy and sell stocks in the Public Funds and shares or bonds of joint-stock companies, &c., for account of another party.

STOCK EXCHANGE, the building where stocks in the Public Funds, shares, bonds, &c., are bought and sold.

STOCK JOBBER, a person, generally a member of the Stock Exchange, whose business it is to buy and sell securities for his own account. Being well acquainted with the nature, supply and demand, &c., of the securities he deals in, he is able to estimate the value of such, and to name the prices at which he is willing to buy and sell. These prices form the daily Stock Exchange quotations which appear in the newspapers. Jobbers usually transact their business with the stockbrokers who buy from or sell to them securities ordered by their principals, the outside public.

STOCKS, a term applied to the various FUNDS which constitute the funded debt of the nation.

STORAGE, warehouse rent.

STORES, SHIP's, the provisions a ship carries for the use of the passengers and crew during a voyage.

STOWAGE, the wages paid for stowing.

STRANDING, is when a ship takes the ground or is driven ashore and remains there. The insurer of goods by a stranded vessel is liable for whatever damage they sustain, although the goods may have been insured free of particular average.

SUBSCRIPTION, any sum which a person contributes, or agrees to contribute, towards a fund. Also, the tender on the part of the public to contribute towards the raising of a loan or joint-stock company.

SUBSIDY, a special tax imposed by a Government on goods, lands, &c., in aid of war or any other stated object.

SUFFERANCE WHARF, a water-side warehouse, licensed by the Customs authorities, where certain bonded goods are allowed to be landed and stored.

SUPERCARGO, an officer or person employed in a merchant ship and charged with the control and care of her cargo.

SUPRA PROTEST. See ACT OF HONOUR.

SURETY, a term applied to a person who guarantees the due performance of an agreement made by another person, or makes himself responsible for the due payment of another person's debts.

SUSPENSE ACCOUNT, is an intermediary account between the profit and loss and the stock account, and is opened whenever there are any accounts or securities which the merchant has reason to believe are of doubtful value, or to which some extra risk is attached, and he considers it advisable to make a special provision to meet the probable loss. A sum is then carried from profit and loss to meet the contingency. A suspense account differs from a guarantee fund, in that the latter is created to meet any possible unknown future contingency, while the former is opened for the purpose of covering some present, and to a certain extent known, contingency. A suspense account is sometimes opened for unpaid dividends, or unclaimed debts, &c.

SUSPENSION, a term applied to the stoppage of payments by a firm, prior to the accounts being submitted to the creditors.

SYNDICATE, IN BANKING, an association of capitalists formed for the purpose of floating a public loan, each member agreeing to take a certain amount at a fixed price.

TAKING UP A BILL, paying it before it is due.

TALLY TRADE, the name given to a system of dealing in London and other large towns, by which shopkeepers and travelling tradesmen furnish certain articles on credit to their customers, the latter agreeing to pay the stipulated price by certain weekly or monthly instalments.

TALON, the coupon representing the instalment of interest payable with a bond when it is redeemed.

TARE, the weight of a package, covering, bag, &c., deducted from the *gross weight* of merchandise.

TARIFF, a table or catalogue of the duties, drawbacks, bounties, &c., charged or allowed on different kinds of merchandise, as settled by authority or agreed to between different States.

TAX, a rate or sum of money imposed upon the person or property of a citizen by the Government for the use of the State.

TELLERS, officers or clerks in public offices who reckon, receive, and pay money.

TENDER, a proposal; an offer made in reply to a request for bids for certain commodities, stocks, &c., which are offered for sale; also the estimate submitted for consideration when proposals are requested for the execution of any works, or the supply of provisions or other commodities.

TIDES-MEN, or **TIDE-WAITERS**, officers appointed to attend the loading and unloading of ships, in order to prevent contraband trade.

TIME BARGAINS, are bargains made on the Stock Exchange to deliver stock (or shares) on a certain day at a certain price, the seller believing that the price will fall, the buyer that it will rise. The settlement has to be made on a certain day, called *settling day*, and it is effected without transfer of stock, the losing party simply paying the difference.

TONNAGE, the capacity or burden of a ship or other floating vessel estimated in tons, or the amount of weight which she may carry; a duty or impost on ships, estimated per ton; or a duty, toll, or rate payable on goods per ton transported on canals.

TONTINE, a species of life annuity, with the benefit of survivorship. When a loan is raised upon this plan the subscribers are divided into classes according to their ages, and annually the interest on the whole fund of each class is shared among the survivors in proportion to their subscription until all the members of that class are dead, when the payment of interest ceases. The term is derived from the name of the inventor of the scheme, Lorenzo Tonti. In 1875 the Exchequer Tontine Annuities (granted in 1789) amounted to 14,986*l.* 2*s.* 9*d.*

TRAFFIC, a general term for trade, commerce, barter, &c.

TRANSFER, the act whereby one party makes over his right, interest, or property to another.

TRANSHIP, to transfer goods from one vessel to another.

TRANSIT, a Custom House warrant or pass.

TRANSIT, GOODS IN. A term applied to merchandise arriving at a port, and which has to be transhipped to another port without being landed.

TREATIES, COMMERCIAL. By commercial treaty is meant a treaty between two independent nations, for facilitating and regulating the commerce carried on between them.

TRETT, a further deduction made from the weight of merchandise, after **TARE** has been deducted, as an allowance for waste through dust or sand, or the waste and wear of the commodity.

TRINITY HOUSE, a corporation which is entrusted, amongst other important duties, with the regulation and management of the light-houses and buoys of the shores and rivers of England. This association also licenses pilots.

TRUCK SYSTEM, the practice of paying workmen in goods instead of current money.

TRUSTEE, a person to whom property is assigned or legally committed in trust, to be applied for the benefit of an individual (called the *cestui que trust*) or individuals; or for public uses.

ULLAGE, what a cask of liquor wants of being quite full.

UMPIRE, a person appointed to settle a dispute or difference when the arbitrators cannot agree.

UNDERWRITER, a person, generally a member of Lloyd's, who undertakes to insure a certain stipulated amount on a ship or cargo by signing his name on a policy of insurance. Each underwriter only takes a limited amount of risk on one ship, say from £100 to £500, the total required to be insured being made up by several underwriters, who sign their names or "write" for whatever amount of risk they are individually willing to take on the particular ship or cargo, until the whole amount is subscribed or "written for."

UNFUNDED DEBT, that portion of the National Debt which consists of money raised by Exchequer Bills, which are renewed from time to time, and Exchequer Bonds, except those issued in 1853. It amounted in 1875 to 5,239,300*l*.

UPTOWN WAREHOUSE, a warehouse (not situated by the river side) licensed by the Customs authorities to store certain bonded goods.

USANCE, the usual term or time of a bill of exchange, according to the custom of the places between which the exchanges run.

USURY, formerly meant a higher rate of interest than that allowed by law, when a limit was put on the rate by the Legislature. It is now generally applied to an exorbitant rate of interest.

VALUE UPON, to draw a bill upon.

VALUED POLICY, a policy of marine insurance, where a specific value is put upon the goods insured.

VENDEE, another name for buyer.

VENDOR, another name for seller.

VENDUE, an auction or public sale.

VICTUALLING BILL, a document issued by the Custom House, permitting the shipment of a certain necessary quantity of stores on board a vessel. The quantity is always regulated by the number of crew and passengers, and probable duration of voyage.

VOUCHER, a document or paper proving that some payment has been made, or other transaction effected.

WAREHOUSING SYSTEM, the plan of lodging dutiable goods in public warehouses, without payment of the duties until they are withdrawn for consumption.

WARRANT, any document which gives an authority.

WARRANT, CUSTOMS, an authority from the Custom House to land goods entered inwards.

WARRANT, DIVIDEND, an authority issued by a joint-stock company or corporation for the payment of a dividend. Coupons are sometimes called Dividend Warrants.

WARRANT, DOCK, is a stamped document issued by the proprietors of a

dock, wharf, &c., containing the particulars of certain goods lodged in their warehouses. It is the only legal and authorized evidence of the goods it describes, and without its production the goods can be neither removed nor transferred. A warrant may be assigned by endorsement.

WARRANT OF ATTORNEY, a written authority, on stamped paper, given by a client to his attorney to appear for him in court, and to confess judgment against him in an action for a certain amount named.

WARRANTY, a declaration evidencing the truth of certain representations made by a seller to a buyer, and which the buyer has no means of ascertaining for himself.

WEIGHT NOTE, a memorandum of the weight of goods, issued with a Dock Warrant.

WHARF, a place constructed or set apart for the loading and unloading of goods.

WHARFINGER, the proprietor of a wharf; also officers employed in the docks to look after the shipment of goods.

WINDING UP, a term applied to the process by which the affairs of a bankrupt are brought to a settlement. It is especially applied to the process of settling the affairs of a joint-stock company, on its dissolution or bankruptcy, in the Court of Chancery.

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